Alberta Municipal Affairs

2003-2004

Annual Report

105-02463/

PREFACE

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 ministries.

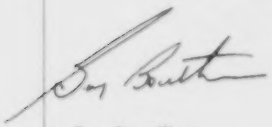
The annual report of the Government of Alberta released June 29, 2004 contains the Minister of Finance's accountability statement, the consolidated financial statements of the Province and a comparison of the actual performance results to desired results set out in the government's business plan, including the *Measuring Up* report.

This annual report of the Ministry of Municipal Affairs contains the Minister's accountability statement, the audited financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan. This Ministry annual report also includes:

- **other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report, and**
- **financial information relating to the Improvement Districts' Trust Account and the audited financial statements of the Special Areas Trust Account.**

Minister's Accountability Statement

The Ministry's Annual Report for the year ended March 31, 2004, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 1, 2004 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.



Guy Boutilier
Minister, Alberta Municipal Affairs

CONTENTS

Vision/Mission/Values iv
Message from the Minister 1
Management's Responsibility for Reporting 3

Overview

Entity Map 5
Operations and Services 6
Core Businesses 10
Analysis of Key Activities 11
Program Initiatives and Significant Accomplishments 11
Cross-Ministry Initiatives 18
Major Consultations 19
Legislative and Policy Changes 20
Key Factors Influencing Performance 22
Financial Highlights 23
Performance Measures Highlights 24

Results Analysis

Deputy Minister's Message 26
Report of the Auditor General of the Results of Applying Specified Auditing Procedures to Key Performance Measures 27
Expense by Core Business 28
Expense by Function 29
Goals, Results and Measures by Core Business 30
Core Business 1 – Local Government Services 30
Core Business 2 – Safety Services and Fire Protection 41
Core Business 3 – Emergency Management Alberta 49
Core Business 4 – Municipal Government Board 56
Future Challenges 61
2003-04 Performance Measures Source and Methodology 63

Financial Information

Ministry of Municipal Affairs Financial Statements 73

Other Information

Statement of Revenues and Expenditures of the Improvement Districts Trust Account – UNAUDITED 95
Financial Statements of the Special Areas Trust Account – AUDITED 99
Alphabetical List of Entities' Financial Statements in Ministry 2003-04 Annual Reports 118

Vision

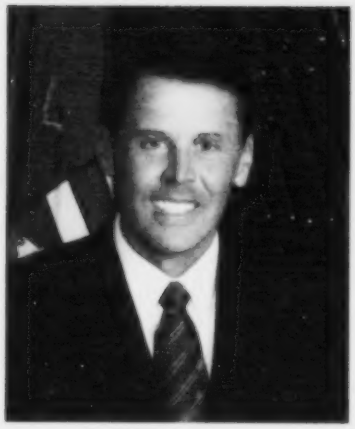
Viable, responsive, and well-managed local government and a public safety system that results in safe buildings, equipment and facilities, and effective emergency management.

Mission

Alberta Municipal Affairs works in partnership with Alberta's municipalities, other provincial government departments, our federal partners, local authorities, various organizations focused on local issues, and the private sector to ensure Albertans live in safe and sustainable communities and are served by open, effective, accountable and well-managed local governments.

Values

As a Ministry, we value and support the principles of honesty, fairness, professionalism, and collaboration, while maintaining a primary focus on exceptional service for our clients. We value our staff and their contributions of innovation, creativity, open communication and accountability. These elements are key in achieving our Ministry's vision.



"...the Ministry implemented a number of important initiatives that help ensure Albertans live in safe, sustainable communities served by open, effective and accountable local governments."

Message from the Minister

I'm pleased to present Alberta Municipal Affairs' Annual Report for 2003-04.

Over the past year, the Ministry implemented a number of important initiatives that help ensure Albertans live in safe, sustainable communities served by open, effective and accountable local governments. We also continued to work in partnership with other orders of government to ensure municipalities have the funding they need to build and maintain viable communities.

Critical to this vision is the ability of our province, including municipalities and industry partners, to prepare for, respond to, and recover from disasters and major emergencies. Through partnerships with municipal governments, industry and other stakeholders, we developed a unique, integrated emergency management model based on shared responsibility.

The Government of Alberta invested to develop and implement the state-of-the-art EMA (Emergency Management Alberta) Operations Centre, a critical nerve centre which is the only one of its kind in Canada, and unique from a global perspective. The EMA Operations Centre was officially opened on December 18, 2003, and was applauded by both Canada's Deputy Prime Minister and Minister of Emergency Preparedness, and the U.S. Ambassador to Canada as a model for other governments to follow.

The past year also saw EMA continue expansion of the Emergency Public Warning System (EPWS) to all 360 municipalities in the province. The system uses radio, television and cable broadcasts to give Albertans advance warning of potential disasters and emergencies, and utilizes the AMBER Alert system to request assistance in the event of child abductions.

The dedication of Alberta's emergency response personnel was honoured in 2003 with the inaugural presentation of the Alberta Emergency Services Medal. More than 300 full-time, part-time and volunteer responders received medals in a special ceremony at the Legislature on May 15, 2003.

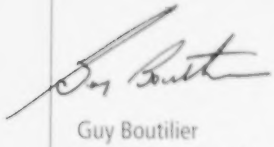
Listening to Albertans is essential to achieving Municipal Affairs' goals. In 2003-04, the department continued to support the Minister's Provincial/ Municipal Council on Roles, Responsibilities and Resources in the 21st Century (3Rs Council) as it provided Alberta municipalities with an effective forum for discussing options to strengthen the relationship between the province and municipalities in the 21st century.

The 3Rs Council was instrumental in bringing recommendations on police and ambulance funding to the government. The Council also recommended amendments to the *Municipal Government Act* to allow municipalities to better deal with the costs of growth. The Council was

involved in *ME first!*, the Municipal Energy efficiency program launched in September, 2003. This four-year, $100 million program gives municipalities access to interest-free loans for energy efficient upgrades to high energy consuming buildings such as swimming pools and arenas.

I am also proud of the work being done through the Municipal Excellence Network, which helps municipalities share knowledge and best practices, and which recognizes excellence through the annual Minister's Awards for Municipal Excellence. Of the forty-seven award submissions received last year, six awards were given in the areas of Innovation, Partnership and Outstanding Achievement.

I look forward to working with Alberta's municipal leaders, both rural and urban – in particular through the Alberta Association of Municipal Districts & Counties and the Alberta Urban Municipalities Association – and in partnership with Municipal Affairs staff to ensure that Alberta's communities are safe, viable, and serve the needs of all Albertans.



Guy Boutilier
Minister, Alberta Municipal Affairs

Management's Responsibility for Reporting

The Ministry of Municipal Affairs includes the Department of Municipal Affairs and the Municipal Government Board, which are included in one financial statement.

The executives of the individual entities within the Ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

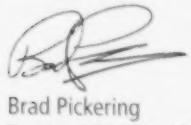
Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the financial statements and performance results for the Ministry rests with the Minister of Municipal Affairs. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including financial statements and performance results. The financial statements and performance results, of necessity, include amounts that are based on estimates and judgments. The financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control that give consideration to costs, benefits and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the Province under Ministry administration;
- provide Executive Council, Treasury Board, the Minister of Finance and the Minister of Municipal Affairs with any information needed to fulfill their responsibilities; and
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executives of the individual entities within the Ministry.



Brad Pickering
Deputy Minister, Alberta Municipal Affairs
September 1, 2004

OVERVIEW

Entity Map

Department of
Municipal Affairs
Functional Organization
as at March 31, 2004

Email: comments@ma.gov.ab.ca
Web site: www.municipalaffairs.gov.ab.ca

Operations and Services

The Ministry of Municipal Affairs includes the Department of Municipal Affairs and the Municipal Government Board.

Department of Municipal Affairs

The Department of Municipal Affairs has two main operating divisions: Local Government Services and Public Safety.

Local Government Services Division

Support and advice leading to effective local government

This division provides support services and advice to municipalities to assist them in developing sustainable and effective local government for Albertans. Services focus on innovation, co-operation, municipal viability, and assessment and tax policy.

There are two branches in this division: Municipal Services and Assessment Services, which are supported by the Divisional Services Unit. As well, the Special Areas Board reports to the Assistant Deputy Minister of Local Government Services.

Municipal Services

This branch provides policy, planning, analytical and legislative drafting support to meet the department's responsibilities in the areas of municipal legislation, property taxation, land-use planning, intermunicipal co-operation and municipal status changes. The branch also provides advisory and financial support to help municipalities operate efficiently. It works with a broad range of stakeholders including municipalities and their associations, as well as businesses, industry and not-for-profit organizations.

Assessment Services

This branch develops assessment standards and guidelines, and audits municipal assessments to ensure each municipality prepares its assessment according to provincial legislation. It leads the development of assessment and education property tax policy for the province and prepares the education property tax requisitions. It also prepares the assessment of linear property (e.g., oil and gas wells, pipelines, and electric power and telecommunication properties). The branch works in partnership with local governments, assessment professionals and industry to support strong, vibrant communities and ensure confidence in the property assessment system.

Divisional Services

This branch co-ordinates division-wide activities including budgeting, business planning and information technology. It provides information, advice and assistance to the Minister, the department, and outside stakeholders in the form of research, briefings and correspondence. Divisional Services is also responsible for the administration and operation of the *milenet* system, which provides electronic access to certain services within Municipal Affairs.

Special Areas Board

The Special Areas Board provides municipal services and long-term land management for the three special areas located in southeast Alberta. The board is appointed by the Lieutenant Governor in Council.

Public Safety Division

Safety codes, emergency management and fire protection

This division provides a framework of safety codes and standards to promote the safe construction, operation and maintenance of buildings, facilities and associated equipment. It also promotes fire protection throughout the province and provides emergency management programs that help Albertans prepare for, respond to and recover from disasters and major emergencies. The Public Safety Division includes Safety Services, EMA (Emergency Management Alberta), the Fire Commissioner's Office and Policy and Strategic Services.

Safety Services

This branch administers the *Safety Codes Act*, which establishes codes, standards and administrative processes in nine disciplines: boiler and pressure vessels, building, fire, plumbing, gas, electrical, elevators, amusement rides, and passenger ropeways (ski lifts). It assists municipalities, corporations and other organizations that have been delegated authority to administer safety codes and standards, and monitors and evaluates the performance of these organizations in administering the *Safety Codes Act*. This branch acts as the provincial representative in the development of national and international codes and standards. In addition, Safety Services provides technical advice and program support to municipalities, corporations, inspection agencies, the Safety Codes Council, contractors, the public and industry.

EMA (Emergency Management Alberta)

This branch develops and carries out a province-wide program that enhances the ability of municipalities and the province to prepare for, respond to and recover from major emergencies and

disasters. EMA administers the province's Disaster Recovery Programs, which provide financial assistance to households, small businesses, farming operations and municipalities for uninsurable eligible losses resulting from natural disasters. The branch also promotes and co-ordinates the preparation, maintenance and activation of Business Continuity Plans for all Alberta government departments as well as Municipal Emergency Plans for all municipalities. It is also responsible for administering the Alberta Counter-Terrorism Crisis Management Plan.

Fire Commissioner's Office

This office provides support and technical advice to fire departments and municipalities on fire protection matters. The Fire Commissioner's Office partners with municipalities and public and private institutions to improve fire protection standards and services. It promotes public education through programs such as the *Risk Watch* injury prevention program, and works in partnership with the **fire etc.** training school and the Safety Codes Council to provide training and support for firefighters, safety codes officers and municipal officials. The Fire Commissioner's Office also disseminates technical information and fire prevention and safety publications. In addition, the office collects, analyzes and reports on fire incident data.

Policy and Strategic Services

The Policy and Strategic Services branch (PSS) leads the policy development process for the division and provides strategic guidance for planning and management. PSS co-ordinates divisional initiatives and communications, and provides program assessment services. The branch works to harmonize Public Safety Division activities to ensure alignment with both long- and short-term government and departmental priorities, and represents the division and Ministry on departmental and cross-government committees and initiatives. PSS also liaises with the Auditor General's staff on behalf of the division.

Support Services

Staff from specialized areas including Communications, Financial and Information Technology Services, Legal Services, Business Services, and Human Resource Services support the Local Government Services and Public Safety divisions in achieving their business plan goals.

Municipal Government Board

Adjudications based on the *Municipal Government Act*

The Municipal Government Board conducts independent, quasi-judicial adjudication functions required by the *Municipal Government Act* with respect to property assessment appeals, linear property assessment complaints, equalized assessment appeals, subdivision appeals, annexation recommendations, intermunicipal disputes and other matters referred to it by the Minister or Lieutenant Governor in Council.

Shared Services

Municipal Affairs continues to support the Alberta Corporate Services Centre (ACSC). The Ministry purchases administrative, information technology, financial and human resource processing services from ACSC.

The Ministry also supports Alberta Government Services by providing strategic administrative and legal services through a shared services agreement.

Core Businesses

Municipal Affairs supports the following core businesses as indicated in its business plan for 2003-06:

1. **Local Government Services** – providing support services, policies and legislation that enhance the development of a sustainable, accountable, responsive and effective local government sector.

2. **Safety Services and Fire Protection** – administering a safety system that uniformly applies appropriate safety codes and standards and promotes fire protection throughout the province.

3. **Emergency Management Alberta** – managing provincial emergency management programs and supporting municipalities to ensure their preparedness to deal with major emergencies and disasters.

4. **Municipal Government Board** – providing independent quasi-judicial adjudication on matters specified under the *Municipal Government Act*.

Analysis of Key Activities

Municipal Affairs was involved in numerous activities during 2003-04, as demonstrated in the Results Analysis section of this report. The following information outlines the main program initiatives and significant accomplishments, as well as the major consultations and legislative changes that took place during the year.

Program Initiatives and Significant Accomplishments

The Minister's Provincial/Municipal Council on Roles, Responsibilities and Resources in the 21st Century (3Rs Council)

Working together to find opportunities for provincial and municipal government co-operation

Over the past year, the 3Rs Council proved to be an effective forum to discuss municipal-provincial relationships. For example, Council discussions led to the development of the *ME first!* program, which provides loans for energy saving projects, and the adoption of amendments to the *Municipal Government Act* (Bill 46), which now permits municipalities to charge an off-site road levy as a condition of subdivision or development.

In addition, the Council:

- provided recommendations to the Minister of Health and Wellness on the MLA Committee report on ground ambulance service delivery;
- was recognized as a forum to hear municipal concerns about the province's policing funding formula; and
- discussed potential new municipal revenue sources.

ME first!

Energy savings for municipalities

The *ME first!* Municipal Energy efficiency assistance program assists municipalities by providing interest-free loans for projects that improve energy savings, reduce greenhouse gas emissions and replace conventional energy sources with renewable or alternative energy sources in municipal operations. The four-year, $100 million program was announced in September 2003. In the first round of applications, seven municipalities were approved for interest-free loans totaling $4.3 million. Eligible projects include energy upgrades to municipal swimming pools and arenas, streetlight and vehicle retrofits, use of green power, and utility partnerships. The program is open to all municipalities and regional services commissions. Municipal Affairs is working closely with Alberta Environment, the Alberta Capital Finance Authority, the Alberta Urban Municipalities Association (AUMA), the Alberta Association of Municipal Districts & Counties (AAMD&C), and Climate Change Central to deliver the program.

Presentation of the Alberta Emergency Services Medal

On May 15, 2003, Municipal Affairs conducted the inaugural presentation of the Alberta Emergency Services Medal on the steps of the Alberta Legislature Building. Premier Ralph Klein and over 600 guests attended the ceremony to help pay tribute to more than 300 full-time, part-time and volunteer emergency services members who had committed 12 or more years of their careers to protecting Albertans.

The Alberta Emergency Services Medal was initiated by Municipal Affairs to recognize the province's emergency services personnel who selflessly dedicate their time, talents, and in many cases their lives, to the service of others.

Emergency Management Alberta Operations Centre

Preparing for, responding to, and recovering from major emergencies and disasters

Municipal Affairs opened the EMA (Emergency Management Alberta) Operations Centre to improve the province's ability to co-ordinate and manage emergency response in the event of a major emergency or disaster. The secure, self-contained facility houses separate operations centres for crisis management, consequence management and cross-government business continuity, and can accommodate sufficient personnel to facilitate a large-scale response. The $1.4 million, 17,000 square foot centre is equipped with the latest technology, and includes an independent power source, four separate communications systems and sophisticated planning equipment and software.

Municipal Excellence Network and the Minister's Awards for Municipal Excellence

2003 Premier's Award *of* Excellence

The Municipal Excellence Network shares knowledge, catalogues practices, and recognizes excellence through the Minister's Awards for Municipal Excellence. The network features an online resource that contains a searchable collection of municipal practices from around the province. There are currently more than 230 municipal practices available online, with 40 more in the process of being added. The website is a useful resource for local governments, with more than 24,000 visits in 2003-04. Forty-seven award submissions were received in 2003 for the Minister's Awards for Municipal Excellence. Three winners and three honourable mentions were awarded in the categories of Innovation, Partnership, and Outstanding Achievement. The Municipal Excellence Network won a silver Premier's Award of Excellence in 2003.

Turtle Mountain Predictive Monitoring Project

Municipal Affairs secured approval for funding in the amount of $1.1 million to be allocated over 2003-04 and 2004-05 for the Turtle Mountain Predictive Monitoring Project. A major landslide on Turtle Mountain killed 70 people in the Town of Frank on April 29, 1903, and several recent geotechnical investigations have indicated the potential for another slide to occur. EMA was assigned responsibility for managing the delivery of the monitoring project on Turtle Mountain for the protection of the residents of the Crowsnest Pass.

Emergency Public Warning System

Municipal Affairs completed the three-year expansion of the Emergency Public Warning System in March 2004. The $1.7 million system is now available to all major radio, television and cable networks in Alberta for broadcasting warning messages to Albertans across the province about life-threatening emergencies and child abductions.

A unified voice for Alberta's fire service

Fire Services Advisory Committee

The Minister established the Alberta Fire Services Advisory Committee to represent the Alberta fire service and facilitate co-operation and mutual aid among fire departments and municipalities. The committee will work with the province's fire service agencies to establish objectives in the areas of prevention/mitigation, preparedness and response. The committee provides a unified voice on behalf of the entire Alberta fire service when advising the Minister on fire service issues.

Fire Services Training Initiative

The Fire Commissioner's Office, in consultation with the Fire Services Advisory Committee and fire chiefs from across Alberta, implemented a new program that enables regional training centres throughout the province to deliver certified fire training courses to personnel from surrounding fire departments with $500,000 in grant support. This will enable more firefighters to receive certified training. The regional nature of the program brings together personnel from neighbouring fire departments and promotes greater interdepartmental co-ordination.

Emergency Response Training

EMA allocated more than $500,000 to support emergency response training for municipal personnel. Fifty-six municipalities were provided with $353,733 for the regional delivery of training to their emergency management officials. Another $147,500 was provided to 20 municipalities to support training for ground search and rescue volunteers. This allowed for the training of more than 2,000 officials in 75 emergency management courses, and 500 volunteers in 25 ground search and rescue courses in 2003-04. The training helps the province's municipalities effectively prepare for, respond to, and recover from major emergencies and disasters.

Alberta Capital Region Alliance (ACRA)

ACRA is a voluntary, registered non-profit organization that forges and supports regional strategies, including economic development in Alberta's capitol region. ACRA's membership consists of twenty-three Alberta capital region municipalities: the Counties of Strathcona, Sturgeon, Leduc, and Parkland; the Cities of Spruce Grove, St. Albert, Fort Saskatchewan, Leduc, and Edmonton; the Towns of Beaumont, Bon Accord, Bruderheim, Calmar, Devon, Gibbons, Legal, Morinville, Redwater, and Stony Plain; and the Villages of New Sarepta, Thorsby, Wabamun and Warburg.

ACRA received a Regional Partnerships Initiative implementation grant of $240,000 in 2004 to initiate a Capital Region Emergency Preparedness Partnership (C-REPP) project in response to recommendations from the 1998-2000 Capital Region Governance Review. The C-REPP partnership is a valuable mechanism for sharing protocol, training and technology information among municipal, industry and non-governmental partners.

Alberta SuperNet

Connecting Albertans to the Internet

Unconditional grants of $4,000 each were provided to 289 small- and medium-sized municipalities to help them access high-speed Internet service. The grants, totaling $1.2 million, represent the government's contribution to current or future fees the municipalities may incur in connecting to Alberta SuperNet.

Unconditional Municipal Grant Program

The Ministry provided unconditional grants totaling $38.1 million in 2003-04. This included $1.2 million in SuperNet grants, $1.8 million in grants to 18 rural municipalities for targeted assistance, $800,000 for restructuring (amalgamation and/or dissolution) activities, and $1.8 million in grants under the Regional Partnerships Initiative to 127 municipalities to explore shared services and other partnership opportunities.

Disaster Recovery Programs

Municipal Affairs allocated a total of $6.7 million to help Albertans and municipal governments recover from disasters in 2003-04:

- $400,000 to Grimshaw for the town's emergency operation costs, clean-up costs, and insurance shortfalls stemming from a severe weather event (extremely high winds) on June 30, 2003;
- $3.6 million to the municipal districts of Smoky River, Spirit River, and Northern Lights, and the counties of Birch Hills and Northern Sunrise. This funding helped with the cost of repairing municipal and provincial infrastructure damaged in the April 2003 flood; and
- $2.5 million to Crowsnest Pass for costs associated with emergency operations, security of evacuated areas, and emergency construction that took place during the July 2003 Lost Creek fire.

Assessment Shared Services Environment (ASSET)

Major progress was made in 2003-04 in implementing the ASSET (Assessment Shared Services Environment) system. ASSET is an Internet-based system that municipalities use to submit their property assessment information to Municipal Affairs.

The ASSET system was developed in response to recommendations of the municipal-provincial Equalized Assessment Panel. One key benefit of introducing this advanced technology is that it allows municipalities to see all data that is used by the province for the assessment auditing and equalized assessment processes.

When fully implemented, the system will also allow the Ministry to use each municipality's current assessment information to prepare equalized assessments, instead of the current practice of using information from the previous year. This will be possible because ASSET technology will greatly reduce the time involved in collecting, auditing and equalizing the annual municipal assessments.

Muniversity

The five Muniversity sessions offered in 2003-04 gave mayors, reeves, councillors and municipal managers the opportunity to develop skills required to lead their organizations into the future. The sessions are offered through a partnership between the University of Alberta, the AUMA, the AAMD&C, and Municipal Affairs. In total, 325 people have attended nine sessions over the past two years.

Ensuring public confidence in Alberta's safety system

Safety System Review

In May 2003, Municipal Affairs released the Final Report of the Safety System Review to the public. Based on consultations conducted in 2001 and 2002, this report is the primary long-term strategic document for the department and the Safety Codes Council in guiding Alberta's safety system and ensuring a high degree of public confidence in the system for future generations. Initiatives undertaken by Municipal Affairs based on feedback from the Safety System Review include establishing the Fire Services Advisory Committee, completing a substantial reorganization of programs, personnel and functions within the Safety Services Branch to improve sevice delivery, and improving the provision of technical advice to safety system stakeholders and the public.

National/Provincial Building and Fire Codes

Building and Fire Codes govern systems and materials that are constantly evolving. To promote an acceptable level of safety for Albertans in their homes and in the buildings where they work and do business, it is necessary to maintain up-to-date code requirements and practices. In 2003-04, Municipal Affairs staff took part in a national/provincial review of approximately 1,300 changes proposed for the National Building and Fire Codes. The department also developed and reviewed approximately 220 Alberta-specific changes to the Alberta Building and Fire Codes.

Dispute Resolution Activities

Dispute resolution activities are broken down into three categories: the Intermunicipal Dispute Resolution Program, the Local Dispute Resolution Program, and dispute resolution education.

Intermunicipal Dispute Resolution Program

The program helps develop local solutions to local problems. The cost of mediation is shared between all parties, including the Ministry. The Ministry also provides pre-mediation services to municipalities to determine if the dispute can be mediated.

Over the past year, 100 per cent of intermunicipal disputes reached agreement.

Local Dispute Resolution Program

Funding of up to $35,000 is provided to help municipalities assess any current dispute resolution systems and make recommendations to improve them. An additional $15,000 is available to help municipalities improve or augment their dispute resolution processes.

Over the past year, five municipalities completed the first phase of the two phase program and are now in the implementation phase: Canmore, Okotoks, Sturgeon County, Morinville, and Cold Lake.

Dispute Resolution Education

The division developed and administered a course called *Finding Agreement on Difficult Issues*. This course increases understanding and skills in dealing with conflict. It was provided to 81 elected officials, administrative personnel and municipal leaders across the province.

Helping municipalities excel

Municipal Sponsorship Program

The Municipal Sponsorship Program continued to assist Alberta municipalities by providing grants for projects that promote innovation, excellence, and co-operation in improving municipal governance or administration; enhancing municipal services or service delivery; and/or increasing intermunicipal co-operation. In 2003-04, a total of 243 applications were received, and grants totaling $13.9 million were awarded. The program is open to municipalities with populations of 20,000 or less.

Municipal Internship Program

The Municipal Internship Program for 2003-04 saw eight interns placed in host municipal offices. Upon completion of their internship, two of the interns accepted chief administrative officer positions in other municipalities, two remained in their host municipalities in full-time positions and two others took positions in other Alberta municipalities.

milenet

milenet is a secure, online gateway to certain services within the department. To date, 91 per cent of Alberta municipalities have entered into an agreement to access these services. The *milenet* gateway currently provides access to four applications to Alberta municipalities:

- **the Assessment Shared Services Environment (ASSET)** – provides for the reporting of accurate property assessment data on a timely basis;
- **the Fire Electronic Reporting System (FERS)** – enables municipal fire departments to submit fire incident and related reports online to the Fire Commissioner's Office;

- **the Grants Management Application System (GMAS)** – allows municipalities to submit grant in place of taxes applications online; and
- **the Municipal Financial Information System (MFIS)** – collects municipal statistical and financial information.

Making infrastructure management easier

Municipal Infrastructure Management System (MIMS)

In 2003-04, Municipal Affairs continued to support the MIMS initiative, allowing for the further refinement and enhancement of this easy-to-use software tool designed for small- to medium-sized municipalities. The MIMS toolkit has been enhanced to include compatibility with land titles data, and a new module has been added for managing gas pipelines and related infrastructure. As of March 2004, approximately 45 Alberta municipalities were using the MIMS toolkit to manage their infrastructure, with an additional 30 municipalities in various stages of training and implementation.

Regional Partnerships Initiative

The Regional Partnerships Initiative (RPI) was established in 1999 to foster regional co-operation among groups of at least three partner municipalities and potentially other public and private organizations. The initiative receives up to $2 million annually from the Ministry budget. To date, grants worth over $4.4 million have been approved for 33 partnerships. Fourteen partnerships were approved for funding in 2003-04.

One example of a partnership that explored a number of activities and then moved to implementation is the Grande Prairie Regional Partnership (GPRP). The GPRP comprises both the City and the County of Grande Prairie, as well as the Town of Sexsmith, an area with a combined population of more than 54,000. The partnership received a grant of $75,000 in 2001 to explore opportunities in shared services delivery systems, and in 2003 received a subsequent grant of $150,000 to implement a regional water and sewer system.

Municipal Government Board

The Municipal Government Board (MGB) handled an increased number of appeals and complaints in 2003. The number of appeals that proceeded to hearings and then completed the hearing process reflect the complete caseload for the board. The number of hearings in 2003 was 1,233, up from 1,158 last year. Property assessment and linear assessment continues to account for the majority of appeals to the MGB. In recent years, subdivision appeals and incidental matters have increased. Part of this increase is due to a larger number of preliminary hearings dealing with these appeals. The MGB continues to streamline existing processes and establish new processes to reach its goal of holding hearings and making decisions within 150 days of the completion of the hearing. In 2003, the results of working more closely with parties and case managing appeals have led to fewer appeals going beyond 150 days. This result has been achieved in spite of the increasing complexity of appeals.

Cross-Ministry Initiatives

Economic Development Strategy

Municipal Affairs compiled the details of programs with rural development objectives for the Rural Development Framework component of the Economic Development Strategy. Municipal Affairs also participated in a number of committees in support of the Economic Development Strategy, including the Provincial/Central Alberta Economic Alliance Partnership pilot project, which involves provincial departments working to better co-ordinate and integrate government regional economic development efforts. In addition, five task groups created in 2002-03 continued into 2003-04. Municipal Affairs participated in two of the task groups: the Regional Infrastructure Study, and Access to Relevant Federal Programs.

Aboriginal Policy Initiative

Municipal Affairs supported the Aboriginal Policy Initiative by:

- visiting all 46 First Nation communities to review emergency operations plans, liaise with leaders and the local Director of Disaster Services, and facilitate training;
- conducting 31 emergency preparedness training courses in 15 First Nation communities;
- evaluating 10 firefighter training courses for First Nation fire departments;
- launching Fire Prevention Week with Aboriginal Affairs and Northern Development at an Edmonton First Nation school;
- providing Fire Prevention Week safety kits to eight Métis settlements and participating First Nation communities for distribution to children;
- providing 2,385 Fire Prevention Week packages for distribution to students from Kindergarten to Grade 3 in First Nation communities; and
- monitoring how the *Safety Codes Act* is administered in Aboriginal communities accredited to conduct inspection work.

Major Consultations

Appropriate codes and standards

Secondary Suites

Municipal Affairs supported consultations conducted by an MLA Review Committee to collect input from municipalities, homeowners and other stakeholders and assess public response to proposed standards for secondary suites in private homes (e.g., basement suites). These standards were developed to establish appropriate health and safety conditions in secondary suites, which have become an important source of alternative housing for Albertans. In late 2003 and early 2004, the MLA Review Committee traveled across the province to consult with municipalities. The committee met with municipal councils, city administration staff and members of the public in Edmonton, Calgary, Red Deer, Canmore, Medicine Hat, Fort McMurray, Grande Prairie, Brooks and Lethbridge. It also consulted with the Alberta Urban Municipalities Association, stakeholders, and various government departments. When the analysis of the feedback from these consultations is complete, the MLA Review Committee will make formal recommendations to the Minister on the feasibility of recognizing standards for secondary suites in the Alberta Building and Fire Codes.

Pressure Vessel Regulation

During August and September 2003, Municipal Affairs and the Alberta Boilers Safety Association conducted consultations on the proposed Pressure Equipment Safety Regulation. The proposed regulation was drafted to consolidate and update existing regulations in the pressure equipment industry. Industry stakeholders were given the opportunity to review the proposed regulation and bring forward their comments. A final version of the regulation is now being drafted for the Minister's approval.

Safe living and working environments

Building and Fire Codes

The province's safety codes are constantly evolving to ensure the best possible safety standards for Albertans. As part of the process for developing the next editions of the Building and Fire Codes, the department worked in co-operation with the Safety Codes Council to conduct an extensive public consultation in the summer of 2003 on proposed technical changes to the codes. This process included a joint consultation with the National Research Council on the new objective-based elements of the proposed new codes. Objective-based elements promote innovation and allow greater flexibility for industry in adhering to the codes, while maintaining an equivalent or greater level of safety for Albertans. Municipal Affairs and the Safety Codes Council have completed a review of the comments received during this consultation, and the input will be incorporated into changes that will be forwarded to the Minister for consideration in the next editions of the codes.

Permit Regulation

The need to review regulations that govern permit requirements and promote uniformity of practices was identified by stakeholders during the Safety System Review. As a result, Municipal Affairs formed a Permit Review Advisory Group consisting mainly of municipal representatives to help draft a new regulation. The proposed revised regulation is intended to advance the Ministry's objective of providing an appropriate level of safety for Albertans by promoting uniform and consistent application of the *Safety Codes Act* throughout the province. In the fall of 2003, the department conducted a web-based consultation that generated many comments on the proposed regulation from municipalities and related industry groups. Municipal Affairs reviewed those comments, and the analysis will be presented to the Permit Review Advisory Group for consideration before a final version of the proposed regulation is drafted.

Legislative and Policy Changes

Local Government Services

The *Municipal Government Act* (MGA) was amended in fall 2003 to allow municipalities to collect off-site road levies as a condition of subdivision or development. Amendments were also made to require off-site levy bylaws to be advertised and have separate accounting procedures, and to broaden the regulation-making authority of the Lieutenant Governor in Council to establish principles and criteria that apply to off-site levies. These provisions help municipalities offset some of the transportation-related costs associated with new growth. They also help ensure the process is accountable and transparent.

Other amendments enhance the liability protection of municipal boxing and wrestling commissions by including other combative sports such as full-contact karate, kickboxing, and other sports that involve striking. The liability protection was also enhanced to cover officials such as commissioners, referees, judges, and timekeepers. The liability provisions are similar to those provided to councillors, municipal officers and volunteer workers of a municipality.

Amendments were also made to change the effective date of certain sections in the MGA, regarding the assessment reporting process. The effective date of these sections was changed from January 1, 2004, to "on proclamation" to allow municipalities more time to make the transition to a revised assessment reporting system.

In addition the following legislative changes were made in 2003-04:

- the *Local Authorities Election Act* was amended regarding the process of local authority elections;
- two assessment and tax regulations were reviewed to meet the requirements for regulatory review;
- the Community Organization Property Tax Exemption Regulation was amended;

- the Equalized Assessment Variance Regulation was re-enacted;
- the Matters Relating to Assessment and Taxation Regulation was amended twice as a result of the *Adult Interdependent Relationships Act* and to address amendments to the MGA intended to improve the process and increase the transparency of the equalized assessment system;
- a new Principles and Criteria for Off-site Levies Regulation was approved, supplementing amendments made to the MGA in 2003;
- the Planning Exemption Regulation was amended to exempt the development of the Calgary Courts Centre from Part 17 of the MGA; and
- the Control of Corporations Regulation was approved, clarifying the approval process and establishing merit tests for the control of a corporation by a municipality.

At the request of the City of Grande Prairie, a regulation was prepared and approved under section 603 of the MGA to exempt Aquatera Utilities Inc. from certain provisions of the MGA and Part 2 of the *Public Utilities Board Act*. As well, six new regional services commissions were established during 2003-04, mainly related to the provision of utility services. Amendments were also made to two existing commissions to add members to the respective commissions (Highway 43 East Waste Commission, and the Cold Lake Regional Utility Services Commission).

The following regulations made under the *Local Authorities Election Act* were reviewed, approved and filed:

- Ballot Box Regulation
- Local Authorities Election Forms Regulation
- Calgary Election Regulation
- Modified Voting Procedure Regulation
- Edmonton Election Regulation

Finally, the Application of *Public Lands Act* Regulation was approved, identifying the applicable sections of the *Public Lands Act* that apply to Special Areas.

Public Safety Division

The Public Safety Division reviewed the following regulations in 2003-04:

- Engineers' Regulations repealed and replaced by Power Engineers Regulation
- Elevating Devices Codes Regulation and Regulations Governing the Construction, Operation, Maintenance and Inspection of Inclined Passenger Lifts consolidated into Elevating Devices Codes Regulation
- Motor Vehicle Propane Conversions Administration Regulation repealed
- Exemption Regulation reviewed and re-enacted
- Administrative Items Regulation and Administration and Information Systems Regulation repealed and consolidated into Administrative Items Regulation
- Boilers and Pressure Vessels Regulation extended through amendment
- Design, Construction and Installation of Boilers and Pressure Vessels Regulations extended through amendment
- Boilers and Pressure Vessels Exemption Order extended through amendment

Key Factors Influencing Performance

Assisting rural municipalities

Bovine Spongiform Encephalopathy (BSE) and Drought

BSE and droughts have created difficulties for rural municipalities. On the recommendation of Municipal Affairs, the government granted municipalities a payment extension on education property taxes, which municipalities could then pass on to farmers.

A new deal for municipalities

Municipal Funding

Federal interest in supporting local issues has added a new player to provincial-municipal discussions, and has increased municipal interest in obtaining a "new deal" to address local issues, such as the local infrastructure deficit.

Floods and wildfire

Fires and Flooding

Overland flooding and wildfires continued to have an impact on the province in 2003-04. Municipal Affairs' disaster recovery programs provided nearly $7 million in compensation to municipalities affected by these and other weather-related events.

Change in the global security environment

Emergency Preparedness

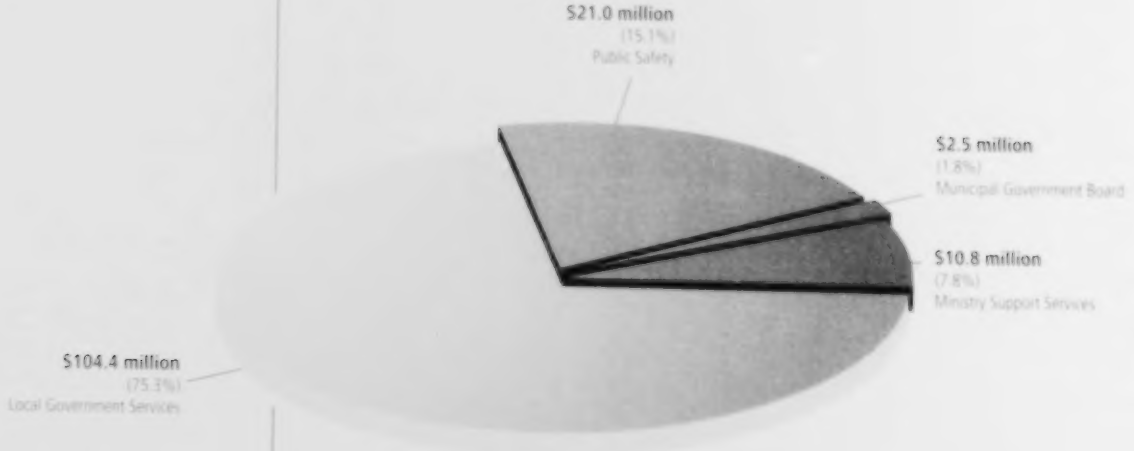
Incidences of terrorism around the globe have kept EMA (Emergency Management Alberta) and the province's counter-terrorism plan at the forefront. EMA and the Ministerial Task Force on Security are playing a lead role in ensuring the province is prepared.

Financial Highlights

Ministry of Municipal Affairs
For the year ended March 31, 2004
(thousands of dollars)

	2004		2003
	Authorized Budget	Actual	Actual
Revenues	$ 42,287	$ 45,226	$ 50,763
Expenses	143,687	139,077	160,752
Net Operating Results	(101,400)	(93,851)	(109,989)
Capital Expenditures	**$ 1,762**	**$ 2,451**	**$ 859**

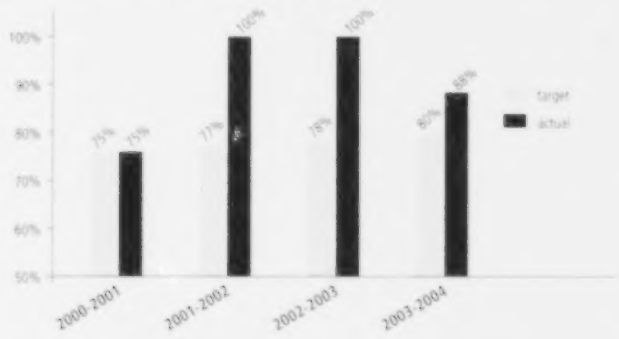
Voted Program Expenses



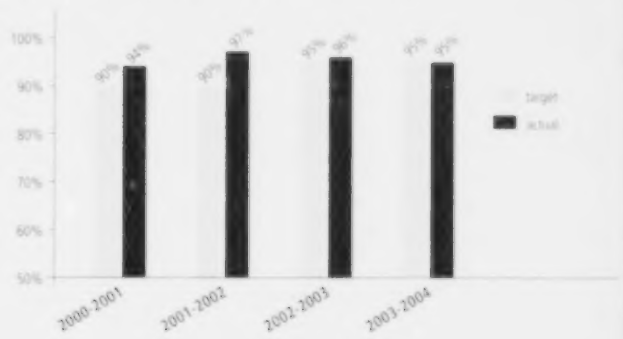
	2004	2003
	(thousands of dollars)	
Assets	$ 50,392	$ 45,956
Liabilities	$ 50,481	$ 60,727
Net Liabilities	$ (89)	$ (14,771)

Performance Measures Highlights

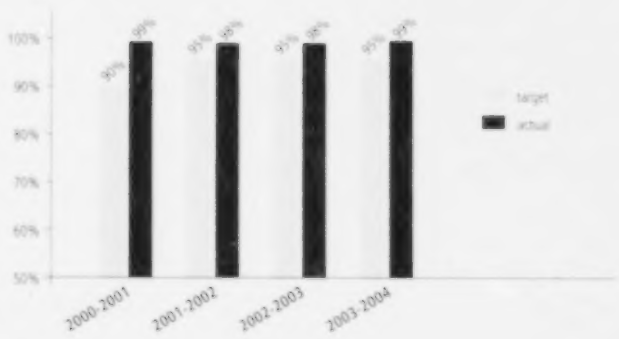
Client satisfaction with Local Government Services



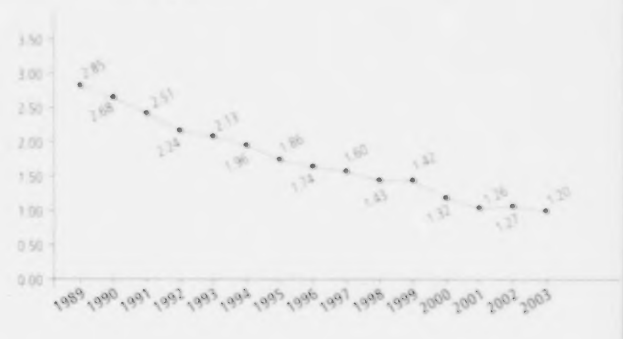
Satisfactory administration of the *Safety Codes Act*



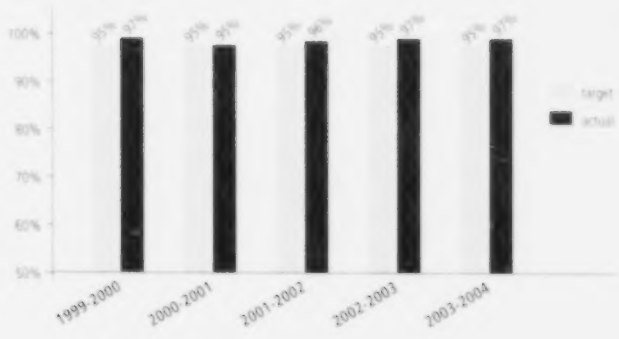
Financially accountable municipalities



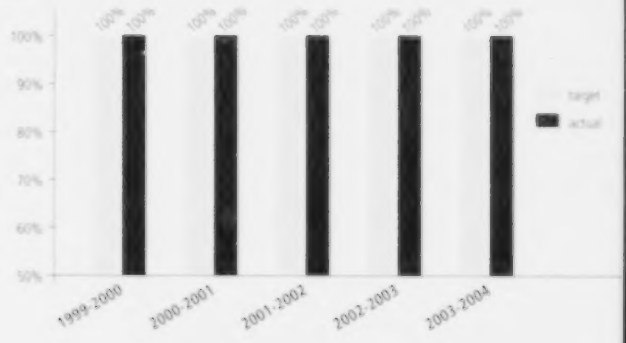
Fire deaths per 100,000 population



Assessment rolls meet standards

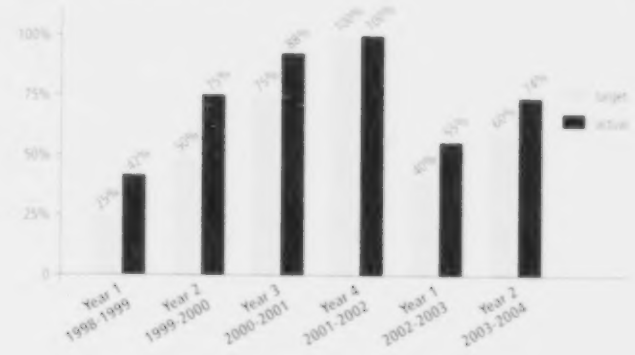


Disaster claims within 30 days



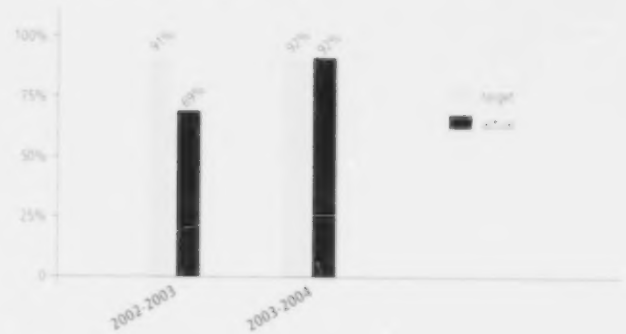
Performance Measures Highlights *(continued...)*

Emergency preparedness testing



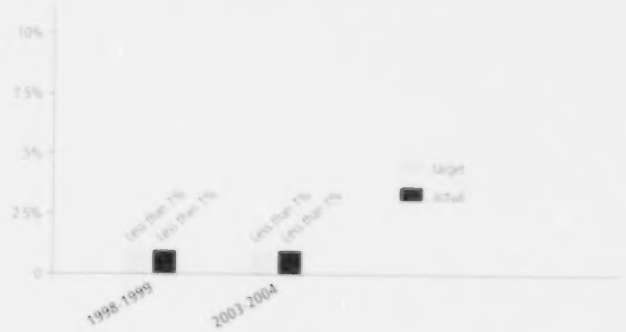
Stakeholder satisfaction with Municipal Government Board

Property appeals heard within 150 days



Source for graphs:
Alberta Municipal Affairs and
Municipal Government Board

Municipal Government Board decisions successfully challenged



RESULTS ANALYSIS

Deputy Minister's Message

"Municipal Affairs' partnership with Alberta's municipalities in the areas of sustainability, security, and safety led to continuing successes in 2003-04."

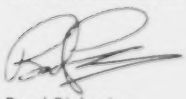
Municipal Affairs' partnership with Alberta's municipalities in the areas of sustainability, security, and safety led to continuing successes in 2003-04. The Ministry supported a number of programs and initiatives to ensure Alberta's communities continue to be appropriately funded, well-managed, and at the forefront of emergency preparedness.

For example, $13.9 million in grants was awarded under the Municipal Sponsorship Program, which promotes improvements in municipal governance or administration, and encourages innovation, excellence, and co-operation. The Unconditional Municipal Grant Program provided an additional $38 million, including $1.2 million to 289 small and medium-sized municipalities to help them access high-speed Internet service. Grants in place of taxes yielded $27 million to municipalities, and the *ME first!* Municipal Energy efficiency assistance program provided $4.3 million to seven municipalities to help them realize savings from energy efficiencies.

It was also a busy year in the area of public safety. The newly opened, $1.4 million EMA (Emergency Management Alberta) Operations Centre significantly enhances the province's ability to prepare for, respond to and recover from emergencies or disasters. As well, $6.7 million was allocated to help Albertans and municipal governments recover from disasters, such as those which occurred in Grimshaw and Crowsnest Pass. An additional $1 million was spent to improve the training of fire and emergency service personnel across Alberta. Of this amount, $500,000 helped regional training centres throughout the province deliver certified fire training courses to surrounding fire departments. Another $500,000 went to support emergency response training for municipal staff.

Municipalities weren't alone in benefiting from partnerships with Municipal Affairs. Ministry staff collected $17,000 for the United Way in 2003-04, 17 per cent more than our fundraising goal. Staff also played hard, winning two gold, one silver and one bronze medal in the 2003 Corporate Challenge.

My thanks to our management team and staff for their exemplary dedication in 2003-04. Their commitment to the department and the Ministry ensures continued excellence in the future.



Brad Pickering
Deputy Minister, Alberta Municipal Affairs

AUDITOR GENERAL
Alberta

REPORT OF THE AUDITOR GENERAL ON THE RESULTS OF APPLYING SPECIFIED AUDITING PROCEDURES TO PERFORMANCE MEASURES

To the Members of the Legislative Assembly

In connection with the Ministry of Municipal Affairs performance measures in the *2003-2004 Annual Report of the Ministry of Municipal Affairs*, I have:

1. Agreed information from an external organization to reports from the organization.
2. Agreed information from reports that originated from within the Ministry to source reports. In addition, I tested the procedures used to compile the underlying data into the source reports.
3. Checked that the presentation of results is consistent with the stated methodology.
4. Checked that the results presented are comparable to stated targets, and information presented in prior years.
5. Checked that the performance measures, as well as targets, agree to and include results for all of the measures presented in Budget 2003.

As a result of applying the above procedures, I found no exceptions. These procedures, however, do not constitute an audit and therefore I express no opinion on the performance measures included in the *2003-2004 Annual Report of the Ministry of Municipal Affairs*.

Fred J. Dunn

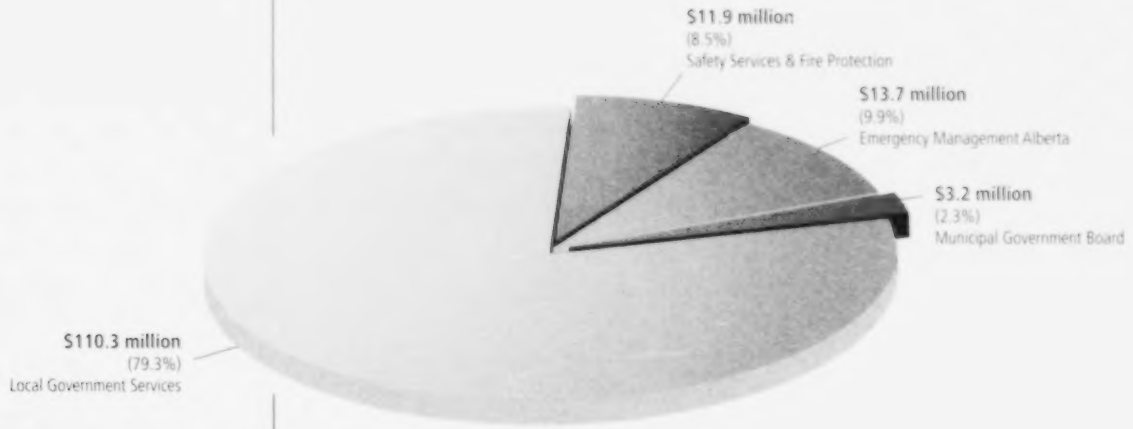
FCA
Auditor General

Edmonton, Alberta
July 14, 2004

Expense by Core Business

Ministry of Municipal Affairs
For the year ended March 31, 2004
(thousands of dollars)

	2004		2003
	Authorized Budget	Actual	Actual
Local Government Services	$ 116,673	$ 110,307	$ 108,527
Safety Services & Fire Protection	18,496	11,855	23,442
Disaster Services	5,189	13,690	25,602
Municipal Government Board	3,329	3,225	3,181
	$ 143,687	**$ 139,077**	**$ 160,752**



The Ministry Support Services expenses and valuation adjustments, as reported on the Statement of Operations, have been allocated to each core business. Also the Public Safety Division support expenses are allocated between the Safety Services and Emergency Management Alberta core businesses.

Expense by Function

Ministry of Municipal Affairs
For the year ended March 31, 2004
(thousands of dollars)

	2004		2003
	Authorized Budget	Actual	Actual
Protection of Persons and Property	$ 15,189	$ 8,524	$ 20,258
Regional Planning and Development	95,497	90,855	88,923
General Government	28,950	27,193	26,809
Agriculture and Economic Development	4,051	12,505	24,762
	$ 143,687	**$ 139,077**	**$ 160,752**

Goals, Results and Measures by Core Business

Core Business 1 –
Local Government Services

Goal 1: An effective, responsive, co-operative and well-managed local government sector

Results

Interest-free loans for energy savings

- Developed, through discussions with the Minister's Provincial/ Municipal Council on Roles, Responsibilities and Resources in the 21st Century (3Rs Council), the *ME first!* Municipal Energy Efficiency Assistance Program, which assists municipalities by providing interest-free loans for projects that improve energy savings, reduce greenhouse gas emissions and replace conventional energy sources with renewable or alternative energy sources in municipal operations. The four-year, $100-million program was announced in September 2003. Seven municipalities were approved for interest-free loans totaling $4.3 million in the first round of applications.
- Created legislation that permits municipalities to charge off-site road levies at the time of development.
- Provided recommendations, through the 3Rs Council, to the Minister of Health and Wellness on the MLA Committee report on ground ambulance service delivery.

2003 Premier's Award *of* Excellence

- Received 47 award submissions for the Minister's Awards for Municipal Excellence, designed to recognize excellence in local government. Awards presentations were made at the fall Alberta Urban Municipalities Association (AUMA) and Alberta Association of Municipal Districts & Counties (AAMD&C) conventions.
- Offered five Muniversity sessions to mayors, reeves, councillors and municipal managers, giving them the opportunity to develop the skills to lead their organizations into the future.
- Continued the Intermunicipal Dispute Resolution Project, which helps two or more municipalities in dispute to use mediation to develop local solutions to local problems. Of the seven inter-municipal dispute projects managed in 2003-04, five projects are continuing (City of Calgary/MD of Rocky View; Town of Peace River/MD of Northern Lights/MD of Peace; Town of Three Hills/Kneehill County; Mountain View Water Commission; and Town of Swan Hills/ MD of Big Lakes), and two (City of St. Albert/Sturgeon County, and Town of Manning/MD of Northern Lights) are complete.

Using responsive and effective Ministry support to resolve local government and management issues

- Continued the Local Dispute Resolution Program, a two-phase program that helps municipalities design a local dispute resolution system. The department managed local dispute resolution projects for: the City of Cold Lake, Sturgeon County, the Town of Canmore, the Town of Okotoks, the Town of Morinville, the M.D. of Rocky View, and Sturgeon County/ Morinville/Edmonton/St. Albert. Each of these projects is in the process of being implemented.
- Placed eight interns in municipal offices through the Municipal Internship Program.
- Increased participation in *milenet* from 60 per cent to 91 per cent of Alberta municipalities, allowing them to access services through Municipal Affairs' online gateway.
- Helped approximately 45 Alberta municipalities use the Municipal Infrastructure Management System toolkit to manage their infrastructure. An additional 30 municipalities are in various stages of training and implementation.
- Approved 14 partnerships for funding through the Regional Partnerships Initiative.
- Provided four courses on finding agreement on difficult issues. Courses were offered in Okotoks, Edmonton, Cold Lake and Grande Prairie.
- Facilitated discussions between AUMA and the AAMD&C on the development of a report on intermunicipal cost-sharing agreements. The initial phase of the report is complete.
- Contributed to the development and implementation of Alberta Environment's *Water Strategy – Water For Life*.
- Participated in the first round of application reviews for Alberta Transportation's Cities Special Transportation Grant Review Committee.
- Participated in the inter-departmental committee to develop the West Nile Virus Targeted Mosquito Control Program.
- Participated in the cross-Ministry Rural Development Initiative to develop a rural development strategy.
- Provided advice and support to an Industry-Municipal task force on the resolution of issues related to sand and gravel development.
- Appointed a Municipal Affairs staff member as official administrator to supervise the actions of the Mountain View Regional Waste Management Commission. Working together, the Commission's Board, member municipalities and Municipal Affairs developed a business plan which addresses issues faced by the commission, and provides a blueprint to help the commission handle future regional waste management needs.

Using technology to assist municipalities

- Completed phase two of a project that links land titles to the cadastral base map for the entire province. This will allow municipalities to have low-cost access to reliable and current title mapping data, and to use this data to build other value-added applications such as property tax assessment, addressing, and emergency response systems.

- Co-operated with Parks Canada and the Town of Banff on the annual update to the Banff Agreement Instrument of Entrustment, which gives the town the authority to govern. With November 2003 approvals by the federal minister responsible for National Parks, the instrument was brought completely up to date.
- Supported financial analysis studies for Banff, Canmore and Jasper, communities heavily dependent on tourism which have major development constraints.
- Monitored federal interest in funding municipal governments (e.g., the "new deal").
- Monitored other provincial/municipal relationships, such as the evolution of the B.C. Charter.

Performance Measure

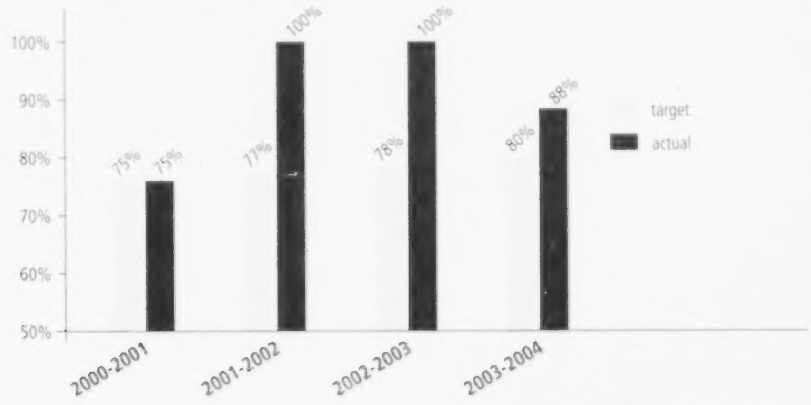
Measure: Level of satisfaction with the Local Government Services Division's activities, services, and programs in enabling and promoting a co-operative and well-managed local government sector.

Description: Stakeholder satisfaction rates are a strong indicator of the effectiveness of Municipal Affairs' activities, services, programs and legislative framework. Such activities, services, and programs enable, promote and support an effective, responsive, co-operative and well-managed local government sector. This measure focuses on overall satisfaction with each of the Local Government Services Division's line units. It demonstrates the Ministry's commitment to providing excellent service for its stakeholders.

Target: 80 per cent.

Actual Result: 88 per cent of stakeholders were satisfied with Local Government Services' activities, services and programs for municipalities. This result exceeded the target of 80 per cent.

Client satisfaction with Local Government Services



Source: Alberta Municipal Affairs

Breakdown of satisfaction by unit

Local Government Services Unit	Target by Unit	Result Attained	Met Target (Yes/No)
Planning and Co-ordination Unit	80 per cent overall satisfaction	76 per cent	No
Legislative Projects Unit	80 per cent overall satisfaction	88 per cent	Yes
Municipal Advisory Servies Unit	80 per cent overall satisfaction	97 per cent	Yes
Grants and Administration Unit	81 per cent overall satisfaction	91 per cent	Yes
Linear Property Assessment Unit	65 per cent overall satisfaction	74 per cent	Yes
Education Tax and Equalized Assessment Unit	74 per cent overall satisfaction	82 per cent	Yes
Assessment and Property Tax Policy Unit	70 per cent overall satisfaction	78 per cent	Yes
Assessment Audit Unit	65 per cent overall satisfaction	74 per cent	Yes
Percentage of Units Meeting Their Targets	80 per cent of the units meet their targets	88 per cent	Yes

Source: Alberta Municipal Affairs

Analysis

Seven of eight units met their targets. The Planning and Co-ordination Unit's results were negatively affected by the movement of the Regional Partnerships Initiative, a popular program, to the Grants and Administration Unit. The recently formed Municipal Organizational Development Unit was not included in this measure for 2003-04. Work is under way to develop appropriate targets for the unit in future measurement calculations.

Goal 2: Financially sustainable and accountable municipalities

Results

- Administered several grant programs for municipalities. The department provided municipalities with:
- $27.2 million through the Grants in Place of Taxes Program;
- $13.96 million to improve governance, administrative services or service delivery practices through the Municipal Sponsorship Program, including a 25 per cent bonus for eligible projects involving intermunicipal co-operation. Funding was provided to 285 municipalities for a variety of projects involving computers, recreation, economic development, emergency services, municipal buildings, and other municipal priorities;
- $7 million through the Municipal Debenture Interest Rebate Program; and
- $1.55 million to 51 local authorities to help them address various municipal matters including:
  - $648,000 to subsidize loan interest for seven municipalities that borrowed funds under the *ME first!* program for projects that improve energy savings and reduce greenhouse gas emissions;
  - $500,000 to various other municipal entities to undertake projects relating to municipal matters such as municipal operation and organization;
  - $363,000 to 11 municipalities to provide on-the-job training in local government to municipal interns;
  - $15,570 in mediation grants to five municipalities for dispute resolution;
  - $15,000 to the Alberta Association of Municipal Districts & Counties to help establish the Dispute Resolution Peer Network; and
  - $10,000 to the Alberta Urban Municipalities Association to contribute towards the President's Summit on Municipal Finance.
- $38.1 million in unconditional grants that include a payment of $1.8 million to 18 rural municipalities for targeted assistance; $1.8 million under the Regional Partnerships Initiative to 127 municipalities to explore shared-services and related partnership opportunities in their respective regions; SuperNet grants of $1.2 million; and $800,000 for restructuring activities.
- Helped nine municipalities restructure. The transitions team was/is involved in nine dissolution studies, including the Village of Mirror, which was dissolved into Lacombe County, and the Village of Thorhild, which voted not to dissolve. The remaining seven studies are still in progress, with one amalgamation project underway.

Financial support that enhances local government financial capability

Performance Measure

Measure: Percentage of municipalities meeting Ministry's criteria of financial accountability.

Description: Municipalities need to operate on a sound financial basis to be able to provide the services Albertans need. Financial accountability in municipalities is measured according to legislated limits in the *Municipal Government Act*. Municipalities that consistently exceed these limits are likely experiencing major financial management stress or failure. The sections from the *Municipal Government Act* that are used for this measure include:

- **Section 244**, which sets a criterion that if the sum of the three previous years' revenues, transfers and expenditures places the municipality in a deficit position, that must be rectified in the fourth year's operating budget
- **Section 252**, which prohibits borrowing unless it is within the debt limit or is approved by the Minister. The Debt Limit Regulation sets limits on municipal debt in two ways (debt and debt service)
- **Section 278**, which obligates the municipality to submit an audited, standardized financial information return and audited financial statements by a defined date
- **Section 282**, which authorizes the Minister to appoint an auditor to review the financial affairs of the municipality under certain circumstances

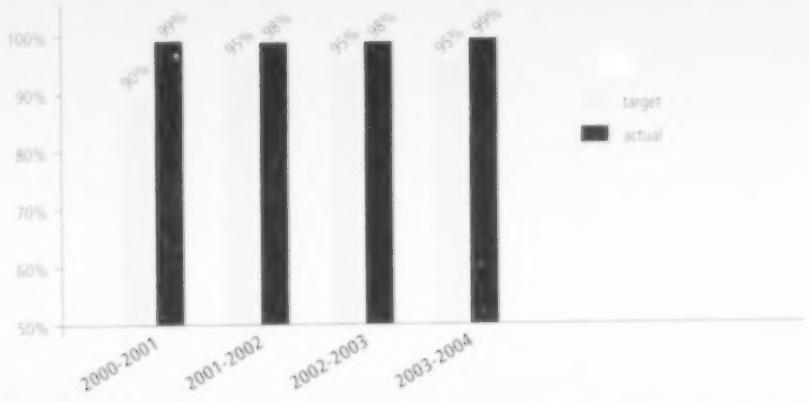
Exceeding any one of the limits does not necessarily imply a lack of financial viability. However, a pattern of problems (e.g., exceeding the limits regularly or failing to address problems) is a good indicator of financial or other viability issues.

Target: 95 per cent.

Actual Result: 99 per cent of municipalities met the criteria for financial accountability exceeding the target of 95 per cent. This result is slightly higher than the results for this measure in the previous four years.

These results are reported based upon a calendar year, which is the fiscal year for municipalities. The results reported are from the calendar year prior to the fiscal year in which they are reported, so for 2003-04 annual reporting, Municipal Affairs reports on the municipalities' 2002 calendar year.

Financially accountable municipalities



Source: Alberta Municipal Affairs

Analysis

This result is similar to the results of previous years and reflects a consistent level of financial accountability by Alberta municipalities. Alberta Municipal Affairs continues to review municipal financial information and provide assistance and advice as required and requested.

Goal 3: A well-managed and efficient assessment and property tax system in which stakeholders have confidence

A property assessment system in Alberta that is accurate, understandable, transparent, and timely

Results

- Verified the assessment levels submitted by each municipality, which are used to calculate an equalized assessment. The equalized assessment is a measure of a municipality's property wealth in comparison to other Alberta municipalities. These equalized assessments are used for several purposes, such as determining the amount of some provincial grants to municipalities, calculating provincial requisitions for education funding, and calculating requisitions for intermunicipal cost-sharing programs, such as recreational and fire prevention service areas.
- Validated the assessments of 221 provincially owned properties for the purpose of ensuring Crown property is assessed equitably in comparison to similar properties not owned by the Crown. This ensures that municipalities receive grants in place of taxes on Crown properties that are based on fair assessments.
- Prepared and disseminated the 2003-04 linear property assessment (e.g., oil and gas wells and pipelines, telecommunication systems, and electric power generation and distribution systems) before the required date of February 28, 2004. The department continued to work with stakeholders to improve data sources for the assessment of linear property. Of the approximately 370,000 assessed linear properties as defined by the *Municipal Government Act* (MGA), the Municipal Government Board received 3,255 appeals, a less than one per cent appeal rate.
- Conducted annual statistical audits on the assessment rolls of all municipalities in the province, and performed detailed assessment procedure audits on 89 municipalities.

Improving consistency and information sharing for linear property assessment

- Completed four of six developmental phases of the Alberta Linear Property Assessment System (ALPAS), a new computerized data-management and data-production system for the assessment of linear property. The system greatly improves data consistency and the ability to disseminate information to stakeholders, receive data from stakeholders, and generate linear property assessment reports.
- Held eight, one-day workshops for 195 members and clerks of local assessment review boards and other municipal officials.
- Helped the MLA Education Property Tax Review Committee complete its review of the property tax system in Alberta.
- Continued to work with stakeholders on developing new valuation rates and depreciation standards for the assessment of regulated industrial property.
- Continued to assist the MLA Farm Property Assessment Review Committee, which presented its final report and recommendations to the Minister of Municipal Affairs in May 2003.

Performance Measure

Measure: Percentage of municipal assessment rolls which meet the provincial standards for procedures, uniformity and equity.

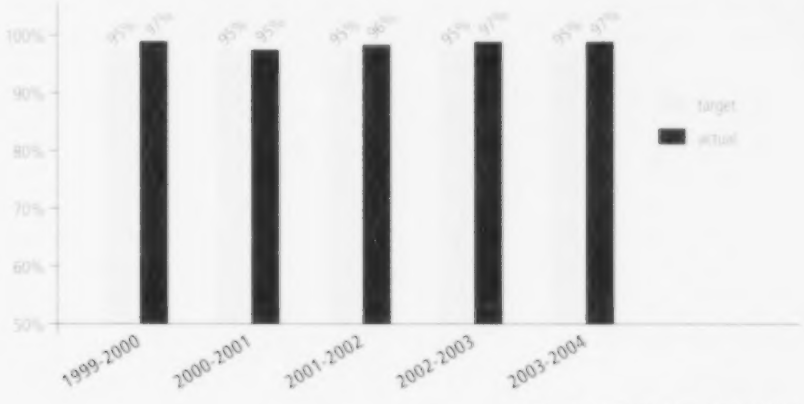
Description: Municipal Affairs verifies the assessment levels municipalities report and monitors the quality of property assessments municipalities carry out to ensure that a municipality's assessment provides a fair basis for funding inter-municipal cost-shared programs such as education. The department also monitors municipal assessment quality to ensure that assessments are distributed fairly within municipalities. This work supports the government's goal to build on the Alberta Advantage because an efficient and uniform assessment base within municipalities promotes a climate conducive to investment, wealth generation and job creation.

This performance measure verifies that municipal assessments meet regulated quality standards in the Matters Relating to Assessment and Taxation Regulation AR289/99 of the MGA.

Target: 95 per cent.

Actual Result: 97 per cent of municipal assessment rolls met the provincial standards for procedures, uniformity and equity exceeding the target of 95 per cent. This result is similar to results for this measure in previous years.

Assessment rolls meet standards



Source: Alberta Municipal Affairs

Analysis

In 2003-04, the target of 95 per cent overall compliance was met with an overall compliance level of 97 per cent. In comparing the result to the four categories that make up the measure, three of the property categories met or exceeded the 95 per cent compliance target: Improved Residential – 97 per cent; Improved Non-residential – 98 per cent: Vacant Non-residential – 97 per cent; and Vacant Residential – 93 per cent.

The results show that a vast majority of municipalities are achieving compliance with the MGA and the quality standards in the Matters Relating to Assessment and Taxation Regulation AR289/99.

Financial Information for Core Business 1

Local Government Services

Fiscal 2004 Actual Compared to Fiscal 2004 Budget (thousands of dollars)

As reported on schedule 5 to the financial statements (page 90 of the Annual Report), Local Government Services can be shown as follows:

Local Government Services	2003-04 Estimates	Authorized Supplementary	2003-04 Authorized Budget	2003-04 Actual Expenses	Unexpended (Over Expended)
Division support					
- Operating expense	$ 4,383	$ —	$ 4,383	$ 3,270	$ 1,113
Municipal services	8,404	—	8,404	6,790	1,614
Assessment services	6,427	—	6,427	6,565	(138)
Unconditional municipal grant					
- Operating expense	8,115	—	8,115	10,063	(1,948)
- Operating expense funded by lotteries	28,000	—	28,000	28,000	—
Municipal debenture interest rebate program	7,019	—	7,019	7,009	10
Grants in place of taxes	28,950	—	28,950	27,194	1,756
Financial support to local authorities	1,901	4,144	6,045	1,552	4,493
Municipal sponsorship					
- Operating expense	1,500	—	1,500	1,972	(472)
- Operating expense funded by lotteries	12,000	—	12,000	12,000	—
	$106,699	**$ 4,144**	**$ 110,843**	**$104,415**	**$ 6,428**

Operating Expenses

Local Government Services incurred expenses of $104.415 million and came in under the $110.843 million authorized budget by $6.428 million or 5.8 per cent. The unexpended budget largely resulted from the *ME first!* program's late start.

Lower Grants in Place of Taxes were due to less than anticipated increases in Crown property assessments and tax rates. The reduced scope of several projects within Municipal Services also contributed to the unexpended budget. The remaining unexpended budget dollars were redeployed to meet funding pressures elsewhere within the Ministry.

The Expense by Core Business report (page 28 of the Annual Report) includes the indirect allocation of the Ministry support services expenses and the valuation adjustments.

Capital Expenditures

Local Government Services incurred expenditures of $1.931 million and came in over the $1.420 million budget by $.511 million or 36 per cent. Projects with ongoing development work in the 2003-04 fiscal year were the Alberta Linear Property Assessment System (ALPAS) and the Municipal Excellence Program. The budget variance resulted from the accelerated development of ALPAS.

	2003-04 Estimates	Authorized Supplementary	2003-04 Authorized Budget	2003-04 Actual Expenses	Unexpended (Over Expended)
Local Government Services					
Division support					
- Capital investment	$ 1,420	$ —	$ 1,420	$ 1,931	$ (511)

Fiscal 2004 Actual Compared to Fiscal 2003 Actual (thousands of dollars)

As reported on the Statement of Operations (page 75 of the Annual Report), Local Government Services incurred $104.415 million in operating expenses in the 2003-04 fiscal year compared to $103.402 million in the 2002-03 fiscal year. The result was an increase of $1.013 million or 0.98 per cent. The increase is primarily due to the negotiated salary settlement during the 2003-04 fiscal year.

	2003-04	2002-03	Increase
Local Government Services	$ 104,415	$ 103,402	$ 1,013

Core Business 2 –
Safety Services and Fire Protection

Goal 4: A comprehensive safety system that provides an appropriate level of public safety

Results

Enhancing Alberta's fire services

- Developed a vision, mission, guiding principles and organizational charter for the Fire Services Advisory Committee, approved by the Minister in June 2003. The committee began developing a plan of action to address recommendations put forward by the province's fire services.
- Presented more than 300 Alberta Emergency Services medals to full-time, part-time and volunteer Emergency Services members with 12 or more years of service.
- Initiated a review of the *Safety Codes Act*. Many of the proposed changes will address suggestions contained in the Safety System Review Report.
- Implemented a new system for providing technical advice to safety codes officers and Albertans in response to findings of the Safety System Review.
- Consulted industry and safety system stakeholders on proposed new Pressure Vessel and Permit Regulations, and conducted public consultations on proposed health and safety standards for secondary suites and proposed technical changes to the Alberta Building and Fire Codes.
- Expanded use of the Electronic Permit System to enable the department to research and analyze permit and inspection activities.
- Developed control processes for installing private sewage disposal systems in subdivisions and continued to improve private sewage installer training in co-operation with the Alberta Association of Municipal Districts & Counties, the Alberta On-site Wastewater Contractors Association and the Safety Codes Council.

Easier submission of fire incident reports

- Gave 62 municipalities access to the Fire Electronic Reporting System (FERS), bringing the total number of municipalities using the program to 90 after only two years. FERS allows fire departments to electronically submit, edit, view, and print their fire incident reports online.
- Developed and implemented the Alberta Emergency Resource Inventory System (AERIS), which helps municipalities track and share fire department resources.
- Monitored the Safety Codes Council's administration of grants to owners of sites remaining in the Underground Petroleum Storage Tank Site Remediation Program. The program is helping owners of underground petroleum storage tank sites assess environmental hazards and clean up their sites to Alberta Environment standards. By year-end, environmental site assessments had been completed for all files, 46 per cent had been cleaned to prescribed standards, and 38 per cent were in the advanced stages of clean up.

- Improved the administration agreement between the department and the Petroleum Tank Management Association of Alberta (PTMAA). The PTMAA is a delegated administrative organization with a role in protecting the environment and public health from the impacts of leaking underground petroleum storage systems.
- Supported the *Risk Watch* injury prevention program by: participating in a Canada-wide project to reflect a stronger Canadian identity in the program's materials, supporting the Alberta *Risk Watch* Champion Team pilot projects in 100 classrooms in five communities, and helping the team hold workshops in eight Alberta municipalities.

Promoting year-round fire safety

- Promoted public fire safety campaigns such as Summer Fire Safety, Fire Prevention Week, Holiday Fire Safety, Winter Fire Safety, and Burn Awareness Week. Each campaign provided an information kit outlining related fire statistics, hazards and their corresponding prevention and safety tips.
- Partnered with a major fast food chain to produce more than 160,000 children's fire prevention activity booklets for students in Kindergarten to grade 3 and distributed the booklets to schools through 205 Alberta fire departments.
- Provided fire safety displays such as *Home Fire Safety – It's as Easy as 1-2-3* to fire departments, schools, the Alberta Teachers' Association, the hospitality industry and others for use in fire prevention education.
- Designed and distributed information pamphlets, brochures, fire-related research, and *Alberta Fire News*, a newsletter produced three times a year by the Fire Commissioner's Office (FCO) to keep the public and stakeholders aware of current fire issues and trends in the province.
- Attended 72 fire investigations, including 10 in First Nation communities, and developed a series of legal documents and tools to assist fire services in addressing their duties under the *Safety Codes Act*.

Teaching children to be fire safe

- Purchased five Hazard Houses for use by the FCO to enhance fire and injury prevention education programs for children in Alberta. The Hazard House is a three-dimensional, animated, interactive tabletop teaching resource that provides innovative and captivating presentations on home fire hazards, early detection of smoke/fire, and proper fire emergency responses.
- Co-ordinated two well-attended workshops on Juvenile Firesetter Intervention for the province's fire service and counselling professionals. A partnership between the FCO, the Ontario Fire Marshal's Office, and Toronto's Centre for Addiction and Mental Health, the workshops taught attendees about juvenile firesetting and provided them with information on a Canadian program for use in dealing with juvenile firesetters.
- Participated in the ongoing development and strengthening of the National Public Safety Advisory Committee as a forum for promoting greater uniformity and consistency in national codes and standards.
- Implemented electronic distribution of technical information bulletins to safety system stakeholders.

Performance Measure

Measure: The percentage of assessed accredited municipalities, corporations, agencies and delegated administrative organizations administering the *Safety Codes Act* that achieve a satisfactory rating.

Description: Working with the Safety Codes Council, Safety Services develops and supports partnerships with various organizations in the administration of the *Safety Codes Act*. This measure monitors and promotes continuous improvement in the effectiveness and uniformity of permit and safety codes inspection services delivered under the *Act*.

Target: 95 per cent.

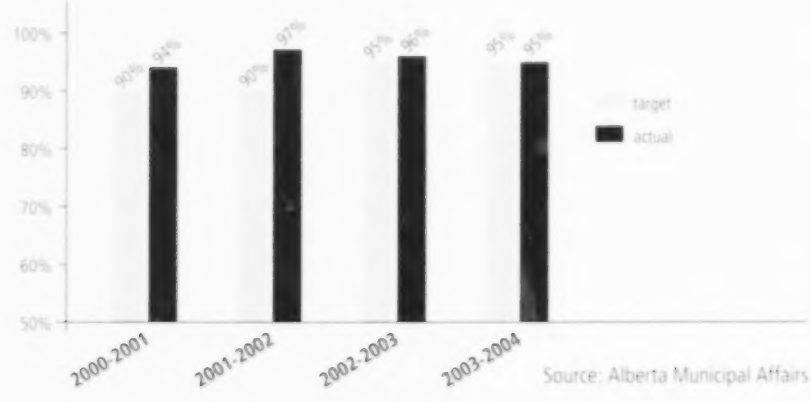
Actual Result: 95 per cent of assessed accredited municipalities, corporations, agencies and delegated administrative organizations administering the *Safety Codes Act* achieved a satisfactory rating. This result achieves the target of 95 per cent and is slightly lower than the results achieved in previous years.

The Ministry system for monitoring and assessing administration of the *Act* by accredited organizations was developed, and a baseline was established in 1998-1999.

2003-04:	Target – 95 per cent	Actual – 95 per cent
2002-03:	Target – 95 per cent	Actual – 97 per cent *Restated – 96 per cent*
2001-02:	Target – 90 per cent	Actual – 96 per cent *Restated – 97 per cent*
2000-01:	Target – 90 per cent	Actual – 94 per cent

The methodology for calculating the measure was revised in 2003-04 and thus the actual for the previous two years was restated. The first year of the restated data was assumed to be the first; therefore, no previous year scores of less than 70 per cent were included.

Satisfactory administration of the *Safety Codes Act*



Source: Alberta Municipal Affairs

Analysis

Because all entities scoring less than 70 per cent in the previous year are monitored and included in the performance measure statistic for the following year, using a reduced sample size for accredited municipal entities and accredited corporations is likely to yield lower totals for those categories.

Authorized Accredited Agencies – A satisfactory rating was achieved by 100 per cent of the authorized accredited agencies under contract with the department, the same as the previous year. A two per cent drop in average agency scores was experienced this year, but it is not considered significant due to one agency that is transitioning out of the program. There has been no change from last year in the minimum score in any part of the checklist results for the remaining agencies.

Municipal Entities – 95 per cent of the 84 accredited municipal entities reviewed achieved a satisfactory performance rating, a one per cent decrease from last year's restated performance measure of 96 per cent. The four municipal entities that had an average unsatisfactory score of 61 per cent the previous year have increased their average score this year to 79 per cent. The one municipality that had an unsatisfactory score for two consecutive years is having its accreditation reviewed by the Safety Codes Council. For the accredited municipal entities that scored unsatisfactory each year, there was a one per cent decrease in the average score in 2003-04 compared to 2002-03. This change of average score is not considered significant. The branch continues to see steady improvement in the consistency with which accredited municipal entities are fulfilling their responsibilities as a result of the department mentoring municipal staff.

Corporations – 93 per cent of the 27 accredited corporations reviewed achieved a satisfactory performance rating, down from the previous year. This is a seven per cent decrease over last year's restated rating and was a result of two corporations scoring below the satisfactory rating. The number of accredited corporations continues to increase this year. The corporations continue to show strong support for the program, as evidenced by the increase in the number of corporations requesting accreditation. In addition, the program is receiving increased numbers of requests from corporations for continuous improvement assistance that is in addition to the assistance for calculating the performance measurement.

Delegated Administrative Organizations (DAOs) – The three DAOs (Petroleum Tank Management Association of Alberta, the Alberta Elevating Devices and Amusement Rides Safety Association, and the Alberta Boilers Safety Association) were assessed and all achieved a satisfactory rating. No material change in scores was observed this year compared to last year.

Overall – Safety Services met its target of 95 per cent in 2003-04. This is a one per cent decrease over last year's restated rating, which is not considered significant.

Performance Measure

Measure: Fire deaths per 100,000 population (10-year moving average).

Description: Fatalities occur in fires due to exposure to the products of combustion – smoke, flames and heat. Reducing fire injuries and deaths is important in maintaining Alberta as a safe place to live and raise families.

Protecting people from fire involves three approaches: prevention of fires; early detection and warning of fire and smoke with smoke/fire alarms; and proper emergency responses during fire emergencies.

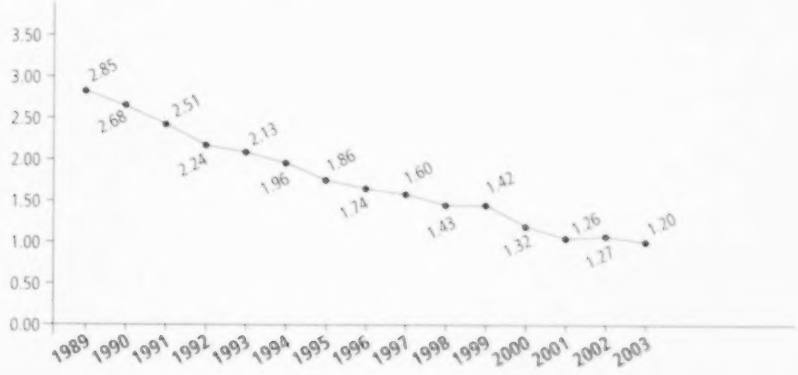
The effectiveness of all three approaches is reflected in the number of fires that occur and the resulting consequences in the form of injuries, deaths and property damage. This measurement is an effective indicator of the outcome of fire.

The Alberta Government acts in a supporting role in a variety of ways to achieve reductions in the number of fire deaths in the province. The fire deaths per 100,000 population measure is therefore a good overall fire safety and prevention indicator.

Target: Less than or equal to 2002-03 result of 1.27 fire deaths per 100,000 population.

Actual Result: The target was achieved, in that the 2003-04 fire death rate (10-year moving average) of 1.20 is less than the previous year's fire death rate (10-year moving average) of 1.27 (revised). The following graph illustrates the reduction in the 10-year moving average death rate over the last 15 years:

Fire deaths per 100,000 population



Source: Alberta Municipal Affairs

Note 1: As at March 31, 2004, there were 31 fire deaths in 2002. This total is 4 deaths more than the 27 deaths recorded in the Fire Commissioner's Office fire database as at March 31, 2003, which was used in calculating the performance measure for 2002 (1.25). These four deaths were entered in the database after the 2003 audit date due to late reporting for three deaths and due to one death from serious fire injuries. These 31 fire deaths were assigned to year 2002, in calculating the fire death rate (1.27, as shown in graph).

Note 2: As at March 31, 2003, there were 43 fire deaths in 2001. This total is four deaths more than the 39 deaths recorded in the Fire Commissioner's Office (FCO) fire database as at March 31, 2002, which was used in calculating the performance measure for 2001(1.24), as presented in the Municipal Affairs Business Plan (2003-06). The four deaths were entered in the database by data-entry staff at the FCO after the 2002 audit date due to late reporting and verification difficulties. The revised fire death rate of 1.26 for 2001 reflects the total number of 43 deaths (this revised calculation was verified in the 2002-03 audit.)

Analysis

The Fire Commissioner's Office (FCO) conducted a wide range of activities in relation to this measure. The positive results this year, and over the past 15 years, indicate that the FCO's programs and initiatives are having a positive effect over the long term. Data is analyzed for changes in fire causes and trends that may require the FCO to shift the focus of targeted public education programs.

Financial Information for Core Business 2

Safety Services and Fire Protection
Fiscal 2004 Actual Compared to Fiscal 2004 Budget (thousands of dollars)

As reported on schedule 5 to the financial statements (page 90 of the Annual Report), Safety Services can be shown as follows:

Safety Services and Fire Protection	2003-04 Estimates	Authorized Supplementary	2003-04 Authorized Budget	2003-04 Actual Expenses	Unexpended (Over Expended)
Program Management	$ 319	$ —	$ 319	$ 440	$ (121)
Technical Services	2,493	—	2,493	2,782	(289)
Regional Services	2,602	—	2,602	2,537	65
Fire Commissioner's Office	1,156	—	1,156	1,329	(173)
Assistance for municipal emergency response training (fire services training)	500	—	500	500	—
	$ 7,070	**$ —**	**$ 7,070**	**$ 7,588**	**$ (518)**

Safety Services incurred expenses of $7.588 million and came in over the authorized budget of $7.070 million by $.518 million or 7.33 per cent. The over-expenditure was mainly due to higher than expected litigation costs incurred for the pine shakes action, additional purchases of educational resources in the Fire Commissioner's Office, and the enhancement of the Electronic Permit System in Program Management.

The Expense by Core Business report (page 28 of the Annual Report) includes the indirect allocation of the Ministry support services expenses, the Public Safety Division support expenses and the valuation adjustments.

Capital Expenditures

Capital expenditures were used for the Alberta Emergency Resource Inventory System (AERIS), an electronic database containing relevant information on the availability of equipment and the operational state of all Alberta fire departments.

Safety Services and Fire Protection	2003-04 Estimates	Authorized Supplementary	2003-04 Authorized Budget	2003-04 Actual Expenses	Unexpended (Over Expended)
Fire Commissioner - Capital investment	**$ —**	**$ —**	**$ —**	**$ 109**	**$ (109)**

Fiscal 2004 Actual Compared to Fiscal 2003 Actual (thousands of dollars):

	2003-04	2002-03	Decrease
Safety Services and Fire Protection	$ 7,588	$ 19,372	$ (11,784)

Safety Services incurred $7.588 million in operating expenses in the 2003-04 fiscal year compared to $19.372 million in the 2002-03 fiscal year. The result was a decrease of $11.784 million. The main reason for this decrease was that the Underground Petroleum Storage Tank Site Remediation Program concluded in 2002, with the estimated outstanding grant commitments being accrued at the end of fiscal 2002. The estimate of outstanding commitments under this program increased in fiscal 2003 as work proceeded and actual costs became clearer, resulting in the accrual of an additional $12.5 million.

On the Statement of Operations, the expenses for the Public Safety Division include the division support expenses and the expenses of the Safety Services and Fire Protection and Emergency Management Alberta core businesses.

Core Business 3 –
Emergency Management Alberta

Goal 5: An emergency management program that enables effective preparation for, response to, and recovery from major emergencies and disasters

Results

Helping Albertans prepare for, respond to, and recover from disasters and emergencies

- Opened the new EMA (Emergency Management Alberta) Operations Centre that will be used as the province's co-ordination centre during disasters or major emergencies. The $1.4 million, 17,000 square foot facility is the first of its kind in Canada and has been widely acclaimed as an excellent model for the rest of the country.
- Secured funding for and implemented a plan to establish a seismic monitoring and warning system on Turtle Mountain, the site of the April 29, 1903 Frank Slide. EMA also worked with the Municipality of Crowsnest Pass to enhance its Municipal Emergency Plan.
- Expanded Alberta's Emergency Public Warning System to the Fort McMurray/Wood Buffalo region in September 2003 and the Grande Prairie region in January 2004. Warning messages about life-threatening emergencies or child abductions can now be transmitted throughout Alberta.
- Continued to expand the Emergency Notification System (ENS) and conducted six system tests. A monthly training schedule was developed for implementation in the 2004-05 fiscal year.
- Implemented three Disaster Recovery Programs that provided $6.7 million for emergency operations and clean-up costs stemming from natural disasters in the spring and summer of 2003. These disasters included severe weather in the Town of Grimshaw (high winds), flooding in Northwest Alberta, and the Lost Creek Fire in the Crowsnest Pass region.
- Provided $353,733 for the regional delivery of emergency management training for municipal officials in 56 municipalities.
- Provided $147,500 for ground search and rescue training in 20 municipalities.

Ensuring vital services are available during times of crisis

- Delivered training to all government departments with crisis and consequence management responsibilities, including an extensive exercise to help them develop their departmental crisis and consequence management activation plans. Crisis and consequence management plans help ensure that vital services remain available during times of crisis.

- Facilitated construction that enabled the Alberta Justice Staff College and the Learning Marking Centre to be used as dedicated operations centres and alternate sites for all government departments during major emergencies or disasters.
- Continued to develop and maintain the Alberta Counter-Terrorism Crisis Management Plan (ACTCMP) with municipal, provincial, federal and private sector partners.
- Developed and introduced a template to help facilities in improving security according to the terrorist threat level in Alberta.
- Co-operated with Alberta Energy to initiate the Alberta Electrical Sector Security Group, formed to co-ordinate strategies for protecting the sector from potential terrorist activities.
- Participated in the development of the National CBRN (Chemical, Biological, Radiological and Nuclear) Strategy and facilitated certification of 74 first responders to train others throughout Alberta on how to identify and assess CBRN hazards. The training provided to these first responders will establish an additional level of security in the province.
- Sponsored the intermediate-level training in Ottawa of an 11-person Edmonton Chemical, Biological, Radiological and Nuclear (CBRN) team.
- Participated in a regional hazardous material response exercise organized by the Montana Department of Disaster and Emergency Services. The exercise involved a simulated terrorist strike, and was conducted at the border crossing between Coutts, Alberta and Sweetgrass, Montana.
- Participated in the development of the National Heavy Urban Search and Rescue Strategy.
- Implemented a standardized, integrated communications protocol for use by all departmental emergency management officers and all other EMA partners required to work at the EMA Operations Centre.

Performance Measure

Measure: Achieve a level of 100 per cent of claims where a member of the damage assessment team arrives on site within 30 days of a claim being received.

Description: The legislation provides for disaster recovery programs to help Albertans recover from uninsurable losses resulting from disasters. The objective is to compensate them as quickly as possible. When a widespread disaster occurs, the branch starts with an initial evaluation. It advises the Minister on the potential for a disaster recovery program, its recommended geographical boundaries, and the proposed exclusions and limitations to compensation. Private sector program administrators are alerted to the possibility of a program requiring their services. This measure does not include the agricultural component, which is measured by another department. In addition, the 30-day criterion does not include infrastructure from municipal and provincial departments.

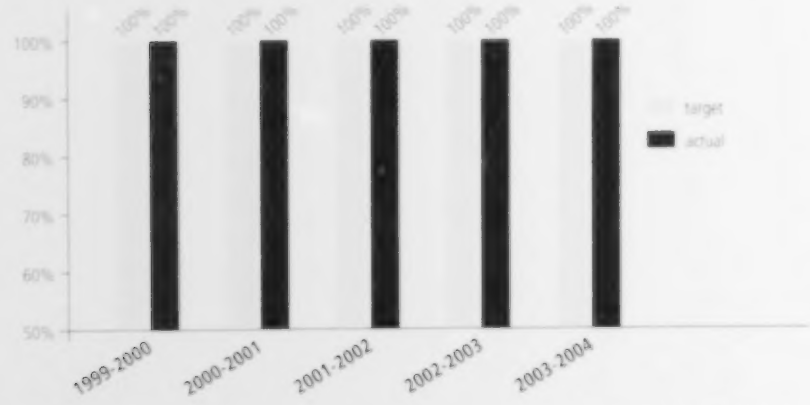
Once the Minister approves the program, citizens in the affected area are notified of the program, guidelines, and venues where application and information packages will be made available. The program administrator receives applications and assigns priority to those in greatest need. In many cases, the evaluator will be on the scene the next day. Regardless of caseload, the target is to have an evaluator on the scene within 30 days of receipt of any application.

By measuring the percentage of eligible claims where a damage assessor arrives on site within 30 days of receipt of the application, the branch can gauge success in achieving this objective.

Target: 100 per cent.

Actual Result: In 100 per cent of cases, a member of the damage assessment team arrived on-site within 30 days of a claim being received. This met the target of 100 per cent and continues the record of perfect results over the past five years.

Disaster claims within 30 days



Source: Alberta Municipal Affairs

* As there were no disasters warranting a disaster recovery program in 1998-99, there is no data to report on the measure for this year.

Analysis

In mid-April 2003, a number of municipal districts and counties suffered extraordinary damage as a result of flooding from spring run-off compounded by an ice jam on the Peace River. A disaster recovery program was approved and received a total of eight claims, six of which were eligible. The damage assessor completed all these claims within one day, thereby responding well in advance of the 30-day limit.

Performance Measure

Measure: Level of preparedness testing as measured by the cumulative percentage of municipalities required to have emergency plans under the *Disaster Services Act*, that test their emergency plans through exercises within a four-year cycle.

Description: The *Act* assigns a majority of the responsibility and authority for response to emergencies and disasters to the local order of government. The *Act* specifies the powers of a local authority, which are available during a time of emergency or disaster, and also specifies the structure and preparedness actions that the municipality is obliged to have completed.

The *Act* recognizes that some local government organizations do not have sufficient resources to meet all of the obligations for structure or preparedness actions and so defines which forms of local governments are included under the *Act*. The municipal organizations physically cover the entire landmass of Alberta (excluding First Nations reservations), with no overlap. The number of municipalities decreases annually as a result of dissolutions.

The *Act* states that each of the approximately 360 local authorities "shall prepare and approve emergency plans and programs." These municipal emergency plans represent the recorded preparations of the municipality to respond to a disaster or emergency. In any given year, a municipality is considered to have demonstrated preparedness by exercising its plan if it conducts a desk-top or simulated exercise to ensure the plan's effectiveness, or it activates its Emergency Operations Centre in response to a real event, confirming that its plan and procedures are effective.

This performance measure is designed to demonstrate that all of the municipalities covered under the *Act* are provided with the assistance required to exercise their municipal emergency plans at least once in a four-year cycle.

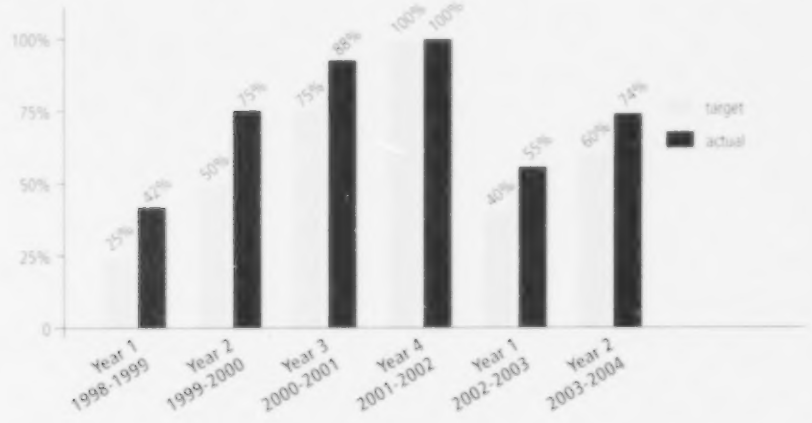
Target: 60 per cent.

Actual Result: 74 per cent of municipalities exercised their emergency plans, exceeding the target of 60 per cent for 2003-04. The targets reflect the completion of one mandatory exercise for each municipality as defined by the legislation. It takes one four-year cycle to complete the exercising of all plans. This year represents year two of the second four-year cycle of historical data on this measure.

Year 1		
2002-03:	Target – 40 per cent	Actual – 46 per cent *Restated – 55 per cent*
Year 2		
2003-04:	Target – 60 per cent	Actual – 74 per cent
Year 3		
2004-05:	Target – 80 per cent	Actual –
Year 4		
2005-06:	Target – 100 per cent	Actual –

Year 1 was restated to exclude summer villages from the population, reflecting change in legislation. The Ministry is considering changes to this performance measure for the 2005-06 fiscal year to make it more accurately capture the mandate of Emergency Management Alberta.

Emergency preparedness testing



Source: Alberta Municipal Affairs

Analysis

Targets are normally exceeded in the first two years of a cycle based on the more aggressive municipalities that choose to exercise more frequently than once in four years (some actually test on at least an annual basis). The resulting benefit is that district officers will be able to spend more time with those municipalities that require extra assistance in developing and conducting exercises over the last two years of the four-year cycle.

Alberta continues to lead Canada in municipal emergency preparedness. The 2003-04 statistic reflects an insignificant decrease in the number of exercises over the previous year.

Financial Information for Core Business 3

Emergency Management Alberta
Fiscal 2004 Actual Compared to Fiscal 2004 Budget (thousands of dollars)

As reported on schedule 5 to the financial statements (page 90 of the Annual Report), EMA (Emergency Management Alberta) can be shown as follows:

	2003-04 Estimates	Authorized Supplementary	2003-04 Authorized Budget	2003-04 Actual Expenses	Unexpended (Over Expended)
Emergency Management Alberta					
Branch management and programs - Operating expense	$ 3,211	$ 487	$ 3,698	$ 4,542	$ (844)
Disaster recovery	340	6,700	7,040	7,458	(418)
Assistance for municipal emergency response training (emergency management training)	500	—	500	505	(5)
	$ 4,051	**$ 7,187**	**$ 11,238**	**$ 12,505**	**$ (1,267)**

Operating Expenses

EMA incurred expenses of $12.505 million and exceeded the authorized budget of $11.238 million by $1.267 million or 11.3 per cent. The over-expenditure of $1.267 million is largely due to start-up costs related to the EMA Operations Centre, support costs for the Crisis Management Program, and severance costs within Branch Management and Programs. Additionally, Disaster Recovery Program grant requirements were more than estimated.

The Expense by Core Business report (page 28 of the Annual Report) includes the indirect allocation of the Ministry support services expenses, the Public Safety Division support expenses and the valuation adjustments.

Capital Expenditures

	2003-04 Estimates	Authorized Supplementary	2003-04 Authorized Budget	2003-04 Actual Expenses	Unexpended (Over Expended)
Emergency Management Alberta					
Branch management and programs - Capital investment	**$ —**	**$ 215**	**$ 215**	**$ 52**	**$ 163**

Planned capital acquisitions were expensed and unbudgeted capital assets were purchased for the EMA Operations Centre.

Fiscal 2004 Actual Compared to Fiscal 2003 Actual (thousands of dollars):

Operating	2003-04	2002-03	Decrease
Emergency Management Alberta	$ 12,505	$ 24,262	$ (11,757)

EMA incurred $12 million in operating expenses in the 2003-04 fiscal year compared to $24.262 million in the 2002-03 fiscal year. The result was a decrease of $11.757 million. This was mainly due to a decrease in costs related to Disaster Recovery Programs from the prior year.

On the Statement of Operations the expenses for the Public Safety Division include the division support expenses and the expenses of the Safety Services and Disaster Services core businesses.

Core Business 4 –
Municipal Government Board

Goal 6: An independent appeal system that issues timely and impartial decisions of high quality

Results

Timely processing of appeals

- Achieved strategies for timely processing of appeals through realizing increased efficiencies in administering applications, and scheduling and conducting hearings.
- Continued to develop a database project Request for Proposal to enable the new database system to be developed for future implementation.
- Implemented case management through appointing professional staff resources to effectively manage all complex appeals.
- Conducted stakeholder meetings with key client groups to create an improved understanding of the issues affecting parties and to determine where issues can be resolved, leading to a reduced number of hearings.

Independent, efficient decision-making

- Scheduled, monitored, and tracked all decisions to increase efficiency in making decisions and to assist in striving to have decisions achieve a high level of consistency.
- Achieved strategies for meeting the goal of obtaining high quality, independent decisions and solutions.
- Held quarterly workshops for Board members to strengthen knowledge and adjudication skills, to enhance levels of independent and impartial decision-making, and advance quality adjudication processes.
- Conducted sessions for stakeholders to obtain feedback on Board performance to generate new ideas for improving or strengthening Board practices.
- Implemented one-member panels and case management process to achieve a more user-friendly adjudication process and to increase efficiencies in hearing appeals.

The Municipal Government Board (MGB) is a quasi-judicial tribunal that provides parties with reasonable access to the tenants of natural justice with respect to the matters within its jurisdiction. The Board's performance measures are always subject to the overriding requirements of natural justice.

Performance Measure

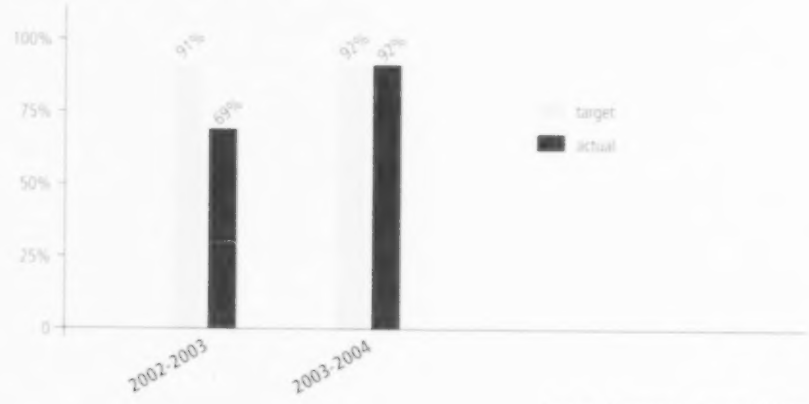
Measure: Percentage of property appeals heard within 150 days of receipt of completed appeal applications.

Description: This measure recognizes the need for the MGB to achieve efficiencies through hearing property appeals in a timely manner.

Target: 92 per cent.

Actual Result: 92 per cent of property appeals (3,074 out of 4,021) were heard within 150 days of receiving completed appeal applications, meeting the target for this measure. This result is up sharply from the result of 69 per cent last year.

Property appeals heard within 150 days



Source: Alberta Municipal Affairs

Analysis

Several factors helped the MGB attain these results, which represent a significant improvement over last year. Aggressive scheduling, extensive meetings with the appellants and respondents, and the timing of the release of the Assessment Review Board's decisions all contributed to the timeliness achieved this year. This measure will be phased out and will not be reported in 2004-05. A single measure, more reflective of the MGB's work performance, will be utilized.

Performance Measure

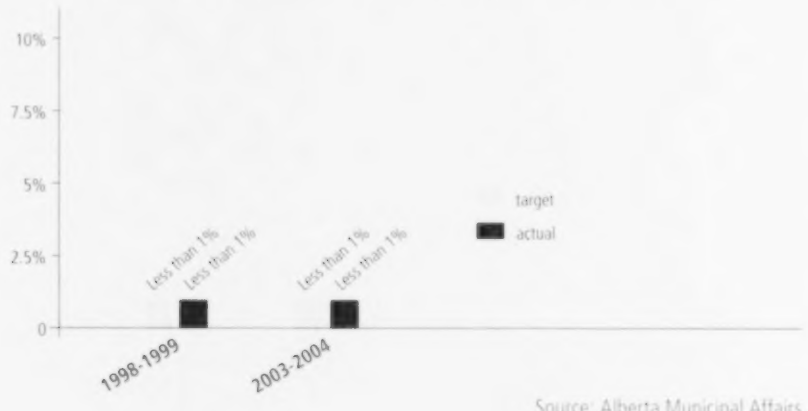
Measure: Percentage of decisions that are successfully challenged in the courts or through Section 504 of the *Municipal Government Act*.

Description: The quality of MGB decisions may be determined by the number of subsequent successful appeals that parties make to the courts or to the number that the MGB decides to rehear. These are the two remedies the legislation allows parties that do not agree with its decisions. As a result, this is a useful measure of the quality of MGB decisions.

Target: Less than one per cent.

Actual Result: Less than one per cent of MGB decisions were appealed or reheard, meeting the target. This result is consistent with the previous year's result.

Municipal Government Board decisions successfully challenged



Source: Alberta Municipal Affairs

Analysis

There was one appeal that was ordered to be reheard by the MGB during the 2003-04 fiscal year, and one decision issued during the fiscal year 1999-2000, which was dismissed by the courts. Since the MGB made approximately 2,500 decisions during the 1999-2000 period, and approximately 4,000 during the 2003-04 period, the percentage ordered reheard is less than 1 per cent. This statistic indicates that the MGB continues to make decisions that are of a high quality. This measure will be phased out and will not be reported in 2004-05. A single measure, more reflective of the MGB's work performance will be utilized.

Performance Measure

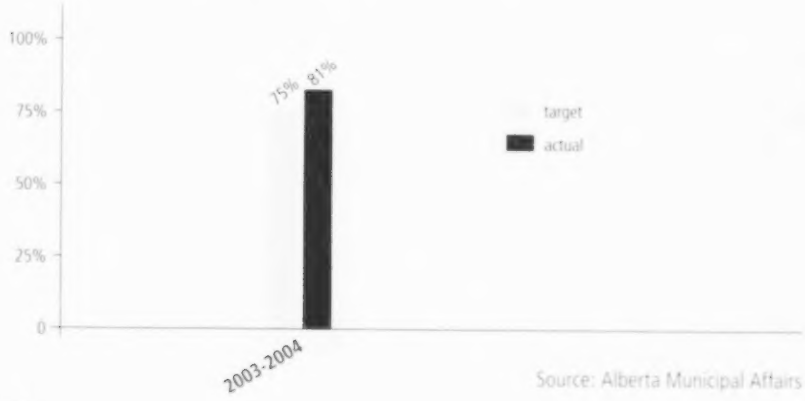
Measure: Percentage of stakeholders who feel they received fair, unbiased hearings.

Description: It is a requirement of the MGB that it make and be seen as making impartial, independent decisions that are of high quality. To determine if this goal was met, an independent consulting group surveyed parties who appeared before the MGB. This measure reflects the opinions of the parties who appeared before the MGB. Surveying is viewed as the primary method available to determine the satisfaction of these stakeholders.

Target: 75 per cent.

Actual Result: 81 per cent of stakeholders said they were satisfied or neither satisfied nor dissatisfied with their dealings with the MGB, exceeding the target of 75 per cent.

Stakeholder satisfaction with Municipal Government Board



Source: Alberta Municipal Affairs

Analysis

The survey was undertaken by an independent research firm: Research Innovations Inc. Eighty-one per cent responded that they agreed with the statements.

Hearing clients agreement with selected statements about the Municipal Government Board's hearing process

(Number of Respondents = 301)	Agreed	Neutral	Disagreed
You were treated in a courteous manner	89%	5%	6%
You had sufficient opportunity to present your case	87%	5%	7%
The hearing process was straightforward and easy to understand	83%	7%	10%
The hearing process was fair, that is, it was impartial and unbiased	64%	8%	28%
Average	**81%**	**6%**	**13%**

Source: Research Innovations Inc., 2003

Financial Information for Core Business 4

Municipal Government Board

Fiscal 2004 Actual Compared to Fiscal 2004 Budget (thousands of dollars)

As reported on schedule 5 to the financial statements (page 90 of the Annual Report) the Municipal Government Board can be shown as follows:

	2003-04 Estimates	Authorized Supplementary	2003-04 Authorized Budget	2003-04 Actual Expenses	Unexpended (Over Expended)
Municipal Government Board	$ 2,638	$ —	$ 2,638	$ 2,542	$ 96

As reported on the Statement of Operations (page 75 of the Annual Report), the Municipal Government Board (MGB) incurred expenses of $2.542 million and came in under the $2.638 million budget by $.96 million or 3.6 per cent. The unexpended budget largely resulted from a lower than expected need for the utilization of professional services. The unexpended budget dollars were redeployed to meet funding pressures elsewhere within the Ministry.

The Expense by Core Business report (page 28 of the Annual Report) includes the indirect allocation of the Ministry support services expenses and the valuation adjustments.

Capital Expenditures

	2003-04 Estimates	Authorized Supplementary	2003-04 Authorized Budget	2003-04 Actual Expenses	Unexpended (Over Expended)
Municipal Government Board - Capital investment	**$ —**	**$ —**	**$ —**	**$ 337**	**$ (337)**

Surplus funds elsewhere in the department were redistributed to the MGB to purchase a data base system for workflow management and Board tracking and reporting.

Fiscal 2004 Actual Compared to Fiscal 2003 Actual (thousands of dollars)

Operating	2003-04	2002-03	Increase
Municipal Government Board	$ 2,542	$ 2,520	$ 22

As reported on the Statement of Operations, the MGB incurred $2.542 million in operating expenses in the 2003-04 fiscal year compared to $2.52 million in the 2002-03 fiscal year. The result was an increase of $.22 million or .87 per cent. Normal salary and wage adjustments contributed to the year-over-year increase.

FUTURE CHALLENGES

BSE and drought

The impact of the drought and BSE will continue to put pressure on rural municipalities, including farm property owners. Municipal Affairs will work with municipalities on options for assisting those affected.

Emergency preparedness

Emergency preparedness in Alberta continues to evolve based on world events, such as SARS (Severe Acute Respiratory Syndrome). Further, the importance of the security of Alberta's energy sector is also moving to the forefront. Increased training for emergency response personnel will address these needs, as well as the introduction of more sophisticated tools and additional planning.

Infrastructure pressures

The rapid expansion of certain areas of the province has led to increased pressures on municipalities to provide services. The 3Rs Council will continue to work with municipalities and their associations to find creative ways to address these challenges.

Municipal knowledge capacity

Smaller municipalities are growing expertise deficiencies. Through programs such as Muniversity and the Municipal Internship Program and other training initiatives, Municipal Affairs will help affected municipalities to address this situation by providing learning opportunities for both new and long-time employees.

2003-04 PERFORMANCE MEASURES SOURCE AND METHODOLOGY

The following information is a summary of what is provided to the Auditor General's Office on Municipal Affairs' performance measures audits.

Goal 1: An effective, responsive, co-operative and well-managed local government sector

Core business:
Local Government Services

Performance Measure

Level of satisfaction with the Local Government Services Division's activities, services, and programs in enabling and promoting a co-operative and well-managed local government sector.

Data Source

The stakeholder satisfaction survey data for the measure is drawn from questions of overall satisfaction contained in a Municipal Affairs' client satisfaction survey conducted by a private research firm.

The performance measure analyzes attainment of established targets for each of the units of the Municipal Services Branch and the Assessment Services Branch of the Local Government Services Division. Stakeholder satisfaction is compiled for the eight units.

Methodology

A comprehensive and specific e-mail/web-based/telephone survey was administered to all identified stakeholders. The survey measured stakeholder overall satisfaction with each of the Local Government Services Division's line units. The questionnaire for each client group was structured to include groups of questions about various types of services relevant to that client group. Stakeholders only provided comment on those units with which they had contact.

The satisfaction scale used is a five-point, anchored satisfaction scale (very dissatisfied, somewhat dissatisfied, neither satisfied nor dissatisfied, somewhat satisfied and very satisfied). The scale that was used has a neutral midpoint, which can be a legitimate response.

Chief administrative officers (CAOs), chief elected officials (CEOs), municipal assessors, and chief financial officers (CFOs) were surveyed. Some of the survey questions polled both the CEO and the CAO, or the CAO and the assessor of a municipality, or CAOs and company CFOs, etc. Their responses were given equal weight in the final calculation of the

overall satisfaction for each of the units surveyed. Each survey question result is tabulated by respondent type (e.g. CEO, CAO, or assessor). The data is summarized for each question. The un-weighted satisfaction scores of all the questions are tallied against the total number surveyed to determine the overall satisfaction. Any response of somewhat satisfied or very satisfied is counted as a satisfied response for the performance measure.

The survey was conducted between October 2003 and November 2003. Telephone/e-mail/web-based surveying methodology reduces the non-response bias that is common in mail-out surveys. The measure was calculated based on the percentage of the units within Local Government Services that achieved their performance targets. The performance targets for each unit were based upon established benchmarks of performance. The performance targets were derived from former measures' surveys, which this measure has replaced. The performance targets used in the calculation of the overall performance are outlined on page 33 of the Annual Report.

Goal 2: Financially sustainable and accountable municipalities

Core business:
Local Government Services

Performance Measure

Percentage of municipalities meeting Ministry's criteria of financial accountability.

Data Source

The data used for this measure is drawn from two sources within the department: the Municipal Advisory Services Unit and the Grants and Administration Unit. The information drawn from the Municipal Advisory Services Unit relates to sections 244, 252 and 282 of the *Municipal Government Act*. The information drawn from the Grants and Administration Unit relates to section 278. The information is collected for administrative purposes as well as for tabulating this measure.

Methodology

The data is extracted from the Municipal Financial Information System using Access to compile the data in spreadsheet form. Predefined demerit points are assessed for exceeding the limits established for the 16 criteria outlined in the four specified sections of the *Act*. Municipalities meeting or exceeding 100 points are considered not to have met the criteria for municipal financial accountability. The scoring system used serves as a proxy measure. Scores of 100 points or more would be a solid indicator of an accountability problem, and if such were to continue would likely indicate a loss of financial sustainability.

Goal 3: A well-managed and efficient assessment and property tax system in which stakeholders have confidence

Core business:
Local Government Services

Performance Measure

Percentage of municipal assessment rolls which meet the provincial standards for procedures, uniformity and equity.

Data Source

Under the Assessment Audit Program, Alberta Municipal Affairs communicates assessment standards, audits municipal assessments to determine compliance with the standards, and verifies the assessment levels used to prepare the Equalized Assessment. The audit program consists of annual audits.

No later than April 1 of each year, all municipalities are required to supply assessment-to-market ratios and supporting assessment and sales data in a standard format. The Assessment Audit Unit then performs a statistical analysis to verify the assessment levels.

The annual audit program is an important tool in measuring mass appraisal performance. Through ratio studies, Assessment Audit compares municipal assessments to market value and verifies whether municipal assessments meet regulated quality standards. The audit data is verified through the use of a statistical software program known as SAS. Tests are done to check for compliance to the regulated quality standards.

The municipalities' verified assessment audit data is stored in a secure Oracle database held by the Assessment Services Branch. The final results are published in the Assessment Audit 2003 Annual Report produced by the Assessment Services Branch.

Methodology

The Assessment Audit is the method used to monitor assessment uniformity of the system created following the Matters Relating to Assessment and Taxation Regulation AR289/99. The objective of the annual audit is to verify whether municipal assessments meet regulated quality standards. Under the Matters Relating to Assessment and Taxation Regulation, the quality standard specifies that the acceptable range for median assessment ratios is between 0.90 and 1.10.

Each municipality will calculate assessment ratios of assessment value to market value (sale price or indicator of market value) for all properties sold that fall in any of the four property categories (Improved Residential, Vacant Residential, Improved Non-residential, Vacant Non-residential) as provided in the Assessment Audit 2003 Annual Report.

All the ratios within a property category are ranked and the median determined. Each median is then weighted by its respective total assessed value for that property category and a weighted mean of the four categories is calculated and expressed as a percentage.

Core business:
Safety Services and Fire Protection

Goal 4: A comprehensive safety system that provides an appropriate level of public safety

Performance Measure

The percentage of assessed accredited municipalities, corporations, agencies and delegated administrative organizations administering the *Safety Codes Act* that achieve a satisfactory rating.

Data Source

The accredited organizations identified in a prescribed list for the year are assessed throughout the year using a standard checklist for each type of organization. Safety Services continues to use an electronic tool developed in 2002-03, based on established database software, for gathering the raw checklist data. This new tool contains improved error mitigation features, integrated workflow for supervisory review and follow-up on observations, as well as other improvements. This year the checklists were completed electronically on-site.

Methodology

Accredited municipal entities and corporations are assessed on a revolving basis. A prescribed one-third of the accredited municipal entities and accredited corporations and 100 per cent of delegated administrative organizations (DAOs) are monitored/assessed annually. One hundred per cent of authorized accredited agencies under contract with the department are monitored/assessed quarterly.

During the year, data gathered for accredited municipal entities and accredited corporations using the standard checklists for each discipline is entered into the electronic database. A score is computed for each completed checklist using the percentage of satisfactory responses to checklist questions. The checklist scores for each organization are then averaged to produce an overall score for the type of organization. The percentage of overall scores that meet or exceed the 70 per cent minimum standard are computed for each type of organization (i.e., accredited municipal entities, corporations, authorized accredited agencies and DAOs). This percentage of satisfactory performance is then weighted according to the number of organizations assessed and combined with that of the other types of organizations to produce the key performance statistic.

Prior to 2003-04, 80 per cent of accredited municipal entities and accredited corporations were monitored each year. Effective in the 2003-04 fiscal year, the monitoring sample size was changed to include:

1) a prescribed one-third list;
2) plus all those entities from the previous year that scored less than satisfactory (less than 70 per cent);
3) plus new municipal entities and corporations accredited in the previous year (which are added to this year's prescribed one-third list);
4) less those that discontinued their accreditations.

As a result, each entity will be monitored at least once every three years. This change was implemented to facilitate the focus on monitoring, including the follow-up of the improvement activities to which the accredited entity agreed. Apart from this sample size change, the performance statistic was calculated using the same electronic tools and in the same manner as last year for accredited municipalities, accredited corporations, authorized accredited agencies and DAOs.

The results for accredited municipal entities and accredited corporations from the previous two years, when 80 per cent were monitored, were restated to align with the current one-third prescribed list of accredited entities. The restated ratings are not materially different (approximately one per cent difference) from the original ratings.

Management uses the municipal and corporate data to further analyze risk by reviewing the scoring of each question for follow-up.

Core business:
Safety Services and Fire Protection

Performance Measure

Fire deaths per 100,000 population (10-year moving average).

Data Source

Section 9 of the Administrative Items Regulation AR 16/2004 under the *Safety Codes Act* requires that a Safety Codes Officer for the fire discipline who investigates the causes and circumstances of a fire must immediately notify the Fire Commissioner if the fire has resulted in loss of life. Municipal fire departments, insurance companies/adjusters, and police departments report fire incident data in standardized formats. Other sources of data include the Medical Examiner's Office and Vital Statistics. Alberta Official Population data is obtained from the Alberta Municipal Affairs website.

In 2002-03, a new Fire Statistics Reporting Manual and forms were introduced, improving the quality of the data. In addition, a web-based application called the Fire Electronic Reporting System (FERS) was introduced, enabling the online submission of reports and automatic validation. In 2003-04, the Fire Statistics Reporting Manual and fire incident reports were posted on the Fire Commissioner's Office website to enable reporting agencies easy online access to fire reporting.

Methodology

The data is collected in either hard copy or electronically through FERS. Data from the hard copies is keyed into the system and validated and then all data is analyzed using a Statistical Analysis System software program. The fire death figures and Alberta population figures are then entered in to an Excel spreadsheet to calculate the fire death rates, which are plotted in a bar-chart as 10-year moving averages. The data and the measure relate to a calendar year, which is consistent with reports produced by Statistics Canada and other jurisdictions, enabling comparisons.

The formula for the fire death rate is as follows:

$$\left(\frac{\text{Number of fire deaths per year}}{\text{Population}} \right) \times 100{,}000$$

Goal 5: An emergency management program that enables effective preparation for, response to, and recovery from major emergencies and disasters

Performance Measure

Core business: Disaster Services

Achieve a level of 100 per cent of claims where a member of the damage assessment team arrives on-site within 30 days of a claim being received.

Data Source

The disaster recovery database, which has been in use since July 1995, tracks all applications received and activities related to the processing of each application made under a disaster recovery program.

Methodology

The database is used to identify the number of eligible disaster recovery applications and the number of those applications where the damage assessor arrived on the site within 30 days of receipt of the application.

Eligible applications are those that fall within the program approval document authorized by the Minister. For example, an application for a property that is outside the approved program boundaries would be deemed ineligible.

The applications are collected in a separate database established for each disaster recovery program. The database records all dates pertinent to the administration of the program and can be queried at any time. The performance measure is calculated as a simple percentage: the number of applications that satisfy the 30-day criteria divided by the total number of eligible applications.

Core business: Disaster Services

Performance Measure

Level of preparedness testing as measured by the cumulative percentage of municipalities required to have emergency plans under the *Disaster Services Act*, that test their emergency plans through exercises within a four-year cycle.

Data Source

The source for the data on this measure is the compilation of quarterly data submitted by the six district officers in Community Programs at Emergency Management Alberta. The cumulative fourth quarter report is used to extract the actual number of municipalities that have exercised their plans in the current year, either through a co-ordinated exercise or an actual event, that have not previously exercised their plans in the current four-year cycle.

Methodology

All six district officers compile and submit quarterly reports to the Director of Community Programs, who maintains a four-year cumulative report for the exercise cycle. This information is used to verify the required exercises or events for the municipality. If an exercise is a repeat, it is not included in the measure. Once the four-year cumulative report by district is updated, a simple sum of the six districts is calculated, which is divided by the total number of municipalities to produce a cumulative percentage.

Goal 6: An independent appeal system that issues timely and impartial decisions of high quality

Performance Measure

Core business: Municipal Government Board

Percentage of property appeals heard within 150 days of receipt of completed appeal applications.

Data Source

The Municipal Government Board (MGB) uses a database to collect and analyze related data. This database is called Application Tracking (APTR). It is an Oracle database containing information on when all appeals arrive and the date all hearings are held.

Methodology

A two-step process is used to analyze the data. Step one involves requesting information from the ATPR database using Access. A query is utilized to identify all the hearings from April 2003 to March 2004. This information is sent to Excel and sorted to determine how many were held more than 150 days from the date of application receipt.

Step two involves reviewing the preliminary hearing agendas to determine which appeals were denied or returned to the Assessment Review Board, and include the date of that hearing, as the decision arose from the preliminary hearing, not a merit hearing. The Board's current computer system does not allow for inclusion of these hearings.

Core business:
Municipal Government Board

Performance Measure

Percentage of decisions that are successfully challenged in the courts or through Section 504 of the *Municipal Government Act*.

Data Source

The MGB maintains a hand-written ledger of all appeals that go to the Court of Queen's Bench and the Court of Appeal. This ledger includes information on the parties to each appeal and a listing of the outcome of each court decision. The MGB also used a ledger (Word document) to monitor and track all requests for rehearings. The rehearing ledger is supported by a database that identifies all rehearing requests and all decisions in which rehearings are denied or approved. The Decision Tracking and Application Tracking databases provide source information for appeals and appeal decisions. Subdivision files identify all subdivision appeals that are before the MGB.

Methodology

The courts, because of their busy schedule, do not decide MGB appeals until one to five years after the decisions have been rendered by the MGB. Since there are few decisions made by the courts to use for evaluating the MGB's current performance, the MGB has chosen to use the most current year in which statistics are complete. The 1999–2000 fiscal year is the most usable for evaluating the quality of MGB decisions; therefore, the data being analyzed is based on all the appeals decided by the MGB between April 1, 1999 and March 31, 2000. The court decisions used in the analysis relate only to the MGB appeals decided during the 1999-2000 fiscal year. The decisions of the MGB made during this period and the actual court appeals that stemmed from these decisions are fully correlated in the data used in the calculations. The court judicial review ledger was reviewed and all court appeals that arose from MGB decisions made during this fiscal year were totalled. The number of decisions identified as dismissed are divided by the total number of decisions made by the MGB in that fiscal year.

Following this, a review was made of the rehearing ledger for the number of rehearing requests that arose from MGB decisions made during the 2003-04 fiscal year. A list of rehearing decisions was also maintained in the MGB's Decision Tracking Database. The number of overturned MGB decisions or appeals ordered to be reheard were totalled and then divided by the total number of property assessment and subdivision appeals made to the MGB in 2003-04. The total property appeal numbers were derived from a query made in the APTR database and the number of subdivision appeals received as contained in the subdivision appeal files.

After photocopying the ledgers, the court decisions ordering MGB decisions to be reheard or quashed were identified. These decisions relate to applications made for judicial reviews between April 1, 1999 and March 31, 2000, and rehearing requests made between April 1, 2003 and March 31, 2004.

Core business:
Municipal Government Board

Performance Measure

Regardless of the decision, percentage of stakeholders who feel they received fair, unbiased hearings.

Data Source

Research Innovations Inc.

Methodology

Alberta Municipal Affairs information technology personnel designed two database queries (one for assessment and one for subdivision) that were used to identify the names and contact information of all appellants and respondents that were attached to hearings. MGB staff generated lists of all linear and equalized parties from paper files, obtained e-mail addresses or phone numbers, and developed a Word document table. The lists of assessment, subdivision, equalized, and linear appellants and respondents were forwarded to Research Innovations Inc. to conduct the survey. The survey response rate was 81 per cent.

Prior to the implementation of the survey, Research Innovations Inc. recommended that additional questions be added to the survey to better reflect the process and the MGB accepted this recommendation. Due to the change in the survey methodology, comparisons between the results of the 2002-03 and 2003-04 surveys cannot be made.

FINANCIAL INFORMATION

Ministry of Municipal Affairs
Financial Statements – March 31, 2003

Auditor's Report	74
Statement of Operations	75
Statement of Cash Flow	76
Statement of Financial Position	77
Notes to the Financial Statements	78
Schedule of Revenues (Schedule 1)	86
Schedule of Dedicated Revenue Initiatives (Schedule 2)	87
Schedule of Directly Incurred Expenses Detailed by Object (Schedule 3)	88
Schedule of Budget (Schedule 4)	89
Schedule of Comparison of Directly Incurred Expenses and Capital Investments by Element to Authorized Budget (Schedule 5)	90
Schedule of Salary and Benefits (Schedule 6)	92
Schedule of Related Party Transactions (Schedule 7)	93
Schedule of Allocated Costs (Schedule 8)	94

AUDITOR GENERAL
Alberta

AUDITOR'S REPORT

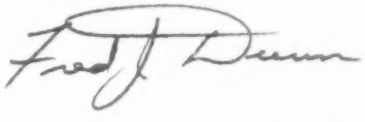
To the Members of the Legislative Assembly

I have audited the statement of financial position of the Ministry of Municipal Affairs as at March 31, 2004 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Ministry of Municipal Affairs' management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Ministry of Municipal Affairs as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

As disclosed in Note 2, the recommendations of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. PSAB has recently revised the definition of the Government reporting entity for implementation for years commencing on or after April 1, 2005. In Note 2, management has stated when it intends to comply with PSAB's recommendations. If the Safety Codes Council and the Delegated Administrative Organizations (DAOs) had been included in the accompanying financial statements, I estimate that revenues, expenses, assets and liabilities would increase by approximately $13,734,000, $13,559,000, $19,019,000 and $3,460,000 respectively.



FCA
Auditor General

Edmonton, Alberta
May 21, 2004

MINISTRY OF MUNICIPAL AFFAIRS
STATEMENT OF OPERATIONS
For the year ended March 31, 2004
(thousands of dollars)

	2004 Budget (schedule 4)	2004 Actual	2003 Actual
Revenues (schedule 1)			
Internal Government Transfers	$ 40,000	$ 40,000	$ 40,000
Transfers from Government of Canada	78	762	8,545
Premiums, Fees, and Licences	378	383	373
Other Revenue	1,831	4,081	1,845
	42,287	**45,226**	**50,763**
Expenses - Directly Incurred (note 2b and schedule 8)			
Voted (schedules 3 and 5)			
Ministry Support Services	10,766	10,786	9,760
Local Government Services	106,699	104,415	103,402
Public Safety	12,053	21,029	45,020
Municipal Government Board	2,638	2,542	2,520
	132,156	**138,772**	**160,702**
Statutory (schedules 3 and 5)			
Valuation Adjustments			
Provision for Bad Debts	-	5	-
Provision for Vacation Pay	200	300	50
	200	**305**	**50**
Total Expenses	**132,356**	**139,077**	**160,752**
Net Operating Results	**$ (90,069)**	**$ (93,851)**	**$ (109,989)**

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF MUNICIPAL AFFAIRS
STATEMENT OF CASH FLOW
For the year ended March 31, 2004
(thousands of dollars)

	2004 Actual	2003 Actual
Operating Transactions:		
Net Operating Results	$ (93,851)	$ (109,989)
Non Cash Charges		
Amortization	1,439	1,155
Deferred Charge	(31)	-
Valuation Adjustments	305	50
	(92,138)	(108,784)
Increase in Accounts Receivable	(985)	(10,864)
Decrease in Loans and Advances	1	9
(Decrease) increase in Accounts Payable and Accrued Liabilities	(10,546)	5,347
Cash Used for Operating Transactions	**(103,668)**	**(114,292)**
Investing Transactions:		
Acquisition of Tangible Capital Assets (schedule 5)	(2,451)	(859)
Contribution in Kind	(2,234)	-
Cash Used for Investing Transactions	**(4,685)**	**(859)**
Financing Transactions:		
Net Transfer from General Revenues	**108,533**	**115,086**
Net Cash Used	**180**	**(65)**
Cash at Beginning of Year	57	122
Cash at End of Year	**$ 237**	**$ 57**

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF MUNICIPAL AFFAIRS
STATEMENT OF FINANCIAL POSITION
As at March 31, 2004
(thousands of dollars)

	2004	2003
Assets		
Cash	$ 237	$ 57
Accounts Receivable (note 3)	43,659	42,679
Loans and Advances	13	14
Tangible Capital Assets (note 5)	6,452	3,206
Deferred Charge	31	-
	$ 50,392	**$ 45,956**
Liabilities		
Accounts Payable and Accrued Liabilities	**$ 50,481**	**$ 60,727**
Net Liabilities		
Net Liabilities at Beginning of Year	(14,771)	(19,868)
Net Operating Results	(93,851)	(109,989)
Net Transfer from General Revenues	108,533	115,086
Net Liabilities at End of Year	**(89)**	**(14,771)**
	$ 50,392	**$ 45,956**

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF MUNICIPAL AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2004

Note 1 Authority and Purpose

The Ministry of Municipal Affairs operates under the authority of the Government Organization Act, Chapter G-10, Revised Statutes of Alberta 2000.

The Ministry works in partnership with Alberta's municipalities, other provincial government departments, our federal partners, local authorities, various organizations focused on local issues, and the private sector to ensure Albertans live in safe and sustainable communities and are served by open, effective, accountable and well-managed local governments.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments.

(a) Reporting Entity

The reporting entity is the Ministry of Municipal Affairs for which the Minister of Municipal Affairs is accountable. The Ministry is also responsible for the Improvement Districts' Trust Account and Special Areas Trust Account, the activities of which are not included in these financial statements except by way of disclosure in note 8 to these financial statements.

The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer to/from General Revenues is the difference between all cash receipts and all cash disbursements made.

PSAB has released new guidance that controlled entities are to be included and how they are to be included effective April 1, 2005. This may affect how the Ministry reports accountable organizations such as the Ministry's delegated administrative organizations and Safety Codes Council depending on whether control exists. The Ministry has agreed in principle to include the financial statements of these entities commencing from fiscal year beginning April 1, 2006, if it is determined that control exists.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual method of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues are shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Ministry may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Ministry's dedicated revenue initiatives.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Expenses

Directly Incurred

Directly incurred expenses are those costs the ministry has primary responsibility and accountability for, as reflected in the government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses also include:

- Amortization of tangible capital assets.
- Pension costs which comprise the cost of employer contributions for current service of employees during the year.
- Valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay.

Incurred by Others

Services contributed by other entities in support of the Ministry's operations are disclosed in schedule 8.

Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $15,000.

Donated tangible capital assets are recorded at their fair value at the time of contribution.

When physical assets (tangible capital assets and inventories) are gifted or sold for a nominal sum to parties external to the government reporting entity, the fair values of these physical assets less any nominal proceeds are recorded as grants in kind.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Liabilities

Liabilities represent all financial claims payable by the Ministry at fiscal year end.

Net Assets/Liabilities

Net assets/net liabilities represents the difference between the carrying value of assets held by the Ministry and its liabilities.

Measurement Uncertainty
(thousands of dollars)

Measurement uncertainty exists when there is a variance between the amount recognized in the financial statements based on management estimates and another reasonably possible amount. Significant areas requiring the use of management estimates relate to the determination of the Government of Canada accounts receivable ($43,614), and the Underground Petroleum Storage Tank and Disaster Recovery accrued liabilities ($31,933). Actual results could differ from those estimates.

Note 3 Accounts Receivable

	Gross Amount	Allowance for Doubtful Accounts	2004 Net Realizable Value	2003 Net Realizable Value
		(thousands of dollars)		
Government of Canada	$ 43,614	$ -	$ 43,614	$ 42,591
Other	58	(13)	45	88
	$ 43,672	**$ (13)**	**$ 43,659**	**$ 42,679**

Accounts receivable are unsecured and non-interest bearing.

Note 4 Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, advances, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

Note 5 Tangible Capital Assets

	Estimated Useful Life	Cost	Accumulated Amortization	2004 Net Book Value	2003 Net Book Value
		(thousands of dollars)			
Equipment	10 years	$ 1,193	$ (429)	$ 764	$ 832
Computer Hardware and Software	5 years	10,908	(5,220)	5,688	2,374
		$ 12,101	**$ (5,649)**	**$ 6,452**	**$ 3,206**

Note 6 Commitments
(thousands of dollars)

The Ministry has entered into contractual agreements with various parties with aggregate future commitments amounting to $3,669 (2003 - $7,609).

Commitments due are shown as follows:

2004-05	3,623
2005-06	46
	$ 3,669

Note 7 Contingencies (thousands of dollars)

At March 31, 2004, the Ministry is a defendant in sixty-four legal claims (2003- seventy-four legal claims). Fifty-nine of these claims have specified amounts totaling $83,058 and the remaining five have no specified amount (2003 – sixty-nine claims with a specified amount of $80,005 and five with no specified amount). Included in the total legal claims are ten claims amounting to $18,303 and one claim with no specified amount (2003 – eight claims amounting to $7,165 and one claim with no specified amount) in which the Ministry has been jointly named with other entities. Fifty-six claims amounting to $82,194 and four claims reporting no specified amount (2003 – sixty-seven claims amounting to $79,307 and four claims with no specified amount) are covered by the Alberta Risk Management Fund.

Of the sixty-four legal claims mentioned above, forty-three claims totaling $62,865 and three claims reporting no specified amounts are commenced by individuals as a result of alleged damages they incurred through the use of untreated pine shakes as a roofing material. A number of sample cases went to trial. The Court of Queen's Bench of Alberta dismissed the plaintiffs' case because it did not disclose a valid cause of action. The plaintiffs have filed an appeal, the outcome of which has not yet been determined at this time.

The resulting loss, if any, from these claims cannot be determined.

Note 8 Trust Funds Under Administration

The Ministry administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purposes of various trusts, they are not included in the Ministry's financial statements.

The financial statements of the trust funds are prepared on a calendar year basis and the net assets as disclosed in the audited financial statements of the trust funds for December 31, 2003 and December 31, 2002 respectively, are as follows:

	2003	2002
	(thousands of dollars)	
Special Areas Trust Account	$ 71,997	$ 71,486
Improvement Districts' Trust Account	4,207	4,214
	$76,204	**$ 75,700**

Note 9 Payments Under Agreement (thousands of dollars)

The Ministry has entered into agreements to deliver programs and services that are fully funded by:

- The National Search and Rescue Secretariat to deliver search and rescue projects under the federal government's New Search and Rescue Initiatives Fund.
- Indian and Northern Affairs Canada to deliver the Alberta First Nations Emergency Planning Program.
- The federal Office of Critical Infrastructure Protection and Emergency Preparedness for the delivery of the Joint Emergency Preparedness Program which is designed to provide financial assistance, on a cost-shared basis with municipalities, to fund projects that will develop or enhance a regional emergency response capability.

Costs incurred under these agreements are made by the Ministry under authority of the Financial Administration Act, Section 25. Accounts receivable includes $3,174 (2003 - $2,801) and accounts payable includes $2,588 (2003 - $2,564) relating to payments under agreement.

Amounts paid under agreement are as follows:

	2004	2003
New Search and Rescue Initiatives Fund	$ 6	$ 242
First Nations Emergency Planning Program	401	373
Joint Emergency Preparedness Program	1,376	2,658
G8 summit in Alberta	-	14
	$ 1,783	$ 3,287

Note 10 Defined Benefit Plans (thousands of dollars)

The Ministry participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $1,577 for the year ended March 31, 2004 ($1,271).

At December 31, 2003, the Management Employees Pension Plan reported a deficiency of $290,014 ($301,968) and the Public Service Pension Plan reported an actuarial deficiency of $596,213 ($175,528). At December 31, 2003, the Supplementary Retirement Plan for Public Service Managers had an actuarial surplus of $9,312 ($6,472).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2004 the Bargaining Unit Plan reported an actuarial deficiency of $9,766 ($14,434) and the Management, Opted Out and Excluded Plan an actuarial deficiency of $1,298 ($3,053). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 11 Comparative Figures

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

Note 12 Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Schedule 1

MINISTRY OF MUNICIPAL AFFAIRS
SCHEDULE OF REVENUES
For the year ended March 31, 2004
(thousands of dollars)

	2004 Budget	2004 Actual	2003 Actual
Internal Government Transfers			
Transfer from the Lottery Fund	$ 40,000	$ 40,000	$ 40,000
Transfer from the Government of Canada			
Disaster Assistance Programs	-	672	8,440
Other	78	90	105
	78	762	8,545
Premiums, Fees and Licences	378	383	373
Other revenue			
Contribution in Kind	-	2,234	-
Dedicated Revenue Initiatives	1,780	1,548	1,475
Refunds of Expenditure	50	257	363
Miscellaneous	1	42	7
	1,831	4,081	1,845
	$ 42,287	**$ 45,226**	**$ 50,763**

Schedule 2

MINISTRY OF MUNICIPAL AFFAIRS
SCHEDULE OF DEDICATED REVENUE INITIATIVES
For the year ended March 31, 2004
(thousands of dollars)

	2004		
	Authorized Dedicated Revenues	Actual Dedicated Revenues	Shortfall [1]
Linear Assessment Services	$ 1,780	$ 1,548	$ (232)

[1] Shortfall is deducted from current year's authorized budget, as disclosed in schedules 4 and 5 to the financial statements.

The Ministry prepares linear property and major plant assessments for various municipalities on a cost recovery basis. The dedicated revenues are reported as part of other revenues on the Ministry's statement of operations.

Schedule 3

MINISTRY OF MUNICIPAL AFFAIRS
SCHEDULE OF DIRECTLY INCURRED EXPENSES DETAILED BY OBJECT
For the year ended March 31, 2004
(thousands of dollars)

	2004 Budget	2004 Actual	2003 Actual
Voted:			
Salaries, Wages and Employee Benefits	$ 24,101	$ 23,146	$ 21,236
Supplies and Services	18,275	18,953	18,583
Grants	88,285	95,180	119,675
Other	52	54	53
Amortization of Tangible Capital Assets	1,443	1,439	1,155
	$ 132,156	**$ 138,772**	**$ 160,702**
Statutory:			
Valuation Adjustments:			
Provision for Doubtful Accounts	$ -	$ 5	$ -
Provision for Vacation Pay	200	300	50
	$ 200	**$ 305**	**$ 50**

Schedule 4

MINISTRY OF MUNICIPAL AFFAIRS
BUDGET
For the year ended March 31, 2004
(thousands of dollars)

	2003-04 Estimates	Adjustment[a]	2003-04 Budget	Authorized Supplementary[b]	2003-04 Authorized Budget
Revenues					
Internal Government Transfers	$ 40,000	$ -	$ 40,000	$ -	$ 40,000
Transfers from Government of Canada	78	-	78	-	78
Premiums, Fees, and Licences	378	-	378	-	378
Other Revenue	1,831	-	1,831	-	1,831
	42,287	**-**	**42,287**	**-**	**42,287**
Expenses					
Voted					
Ministry Support Services	10,766	-	10,766	-	10,766
Local Government Services	106,699	-	106,699	4,144	110,843
Public Safety	12,053	-	12,053	7,187	19,240
Municipal Government Board	2,638	-	2,638	-	2,638
Dedicated Revenue Shortfall (Schedule 2)	-	(232)	(232)	-	(232)
	132,156	**(232)**	**131,924**	**11,331**	**143,255**
Statutory					
Valuation Adjustments					
Provision for Bad Debts	-	-	-	-	-
Provision for Vacation Pay	200	-	200	-	200
	200	**-**	**200**	**-**	**200**
Net Operating Results	**$ (90,069)**	**$ 232**	**$ (89,837)**	**$ (11,331)**	**$ (101,168)**

(a) Adjustments include dedicated revenue shortfalls. Shortfall is deducted from the current year's authorized budget. The Ministry prepares linear property and major plant assessments for various municipalities on a cost recovery basis. The dedicated revenues are reported as part of other revenues on the Ministry's statement of operations.

(b) Supplementary estimate of $11.546 million was approved on December 4, 2003.

Schedule 5

MINISTRY OF MUNICIPAL AFFAIRS

SCHEDULE OF COMPARISON OF DIRECTLY INCURRED EXPENSES, EQUIPMENT/INVENTORY PURCHASES AND STATUTORY EXPENSES BY ELEMENT TO AUTHORIZED BUDGET

For the year ended March 31, 2004

(thousands of dollars)

	2003-04 Estimates	Adjustment	2003-04 Budget	Authorized Supplementary[a]	2003-04 Authorized Budget	2003-04 Actual Expenses[b]	Unexpended (Over Expended)
Voted Expenses							
Ministry Support Services							
Minister's Office	$ 287	$ -	$ 287	$ -	$ 287	$ 285	$ 2
Deputy Minister's Office	487	-	487	-	487	491	(4)
Support Services							
-Operating Expense	9,992	-	9,992	-	9,992	10,010	(18)
-Equipment/Inventory Purchases	127	-	127	-	127	22	105
	10,893	-	10,893	-	10,893	10,808	85
Local Government Services							
Division Support							
-Operating Expense	4,383	-	4,383	-	4,383	3,270	1,113
-Equipment/Inventory Purchases	1,420	-	1,420	-	1,420	1,931	(511)
Municipal Services	8,404	-	8,404	-	8,404	6,790	1,614
Assessment Services	6,427	-	6,427	-	6,427	6,565	(138)
Unconditional Municipal Grant							
-Operating Expense	8,115	-	8,115	-	8,115	10,063	(1,948)
-Operating Expense Funded by Lotteries	28,000	-	28,000	-	28,000	28,000	-
Municipal Debenture Interest Rebate Program	7,019	-	7,019	-	7,019	7,009	10
Grants in Place of Taxes	28,950	-	28,950	-	28,950	27,194	1,756
Financial Support to Local Authorities	1,901	-	1,901	4,144	6,045	1,552	4,493
Municipal Sponsorship							
-Operating Expense	1,500	-	1,500	-	1,500	1,972	(472)
-Operating Expense Funded by Lotteries	12,000	-	12,000	-	12,000	12,000	-
	108,119	-	108,119	4,144	112,263	106,346	5,917
Public Safety							
Division Support	932	-	932	-	932	936	(4)
Safety Services							
Program Management	319	-	319	-	319	440	(121)
Technical Services	2,493	-	2,493	-	2,493	2,782	(289)
Regional Management	2,602	-	2,602	-	2,602	2,537	65
Fire Commissioner							
-Operating Expense	1,156	-	1,156	-	1,156	1,329	(173)
-Equipment/Inventory Purchases	-	-	-	-	-	109	(109)
Disaster Services							
Branch Management and Programs							
-Operating Expense	3,211	-	3,211	487	3,698	4,542	(844)
-Equipment/Inventory Purchases	-	-	-	215	215	52	163
Disaster Recovery	340	-	340	6,700	7,040	7,458	(418)
Assistance for Municipal Emergency Response Training	1,000	-	1,000	-	1,000	1,005	(5)
	12,053	-	12,053	7,402	19,455	21,190	(1,735)
Municipal Government Board							
-Operating Expense	2,638	-	2,638	-	2,638	2,542	96
-Equipment/Inventory Purchases	-	-	-	-	-	337	(337)
	2,638	-	2,638	-	2,638	2,879	(241)
Dedicated Revenue Shortfall (Schedule 2)	-	(232)	(232)	-	(232)	-	(232)
	$ 133,703	$ (232)	$ 133,471	$ 11,546	$ 145,017	$ 141,223	$ 3,794

MINISTRY OF MUNICIPAL AFFAIRS
SCHEDULE OF COMPARISON OF DIRECTLY INCURRED EXPENSES, EQUIPMENT/INVENTORY PURCHASES AND STATUTORY EXPENSES BY ELEMENT TO AUTHORIZED BUDGET
For the year ended March 31, 2004
(thousands of dollars)

	2003-04 Estimates	Adjustment	2003-04 Budget	Authorized Supplementary[a]	2003-04 Authorized Budget	2003-04 Actual Expenses[b]	Unexpended (Over Expended)
Operating Expense	$ 92,156	$ (232)	$ 91,924	$ 11,331	$ 103,255	$ 98,772	$ 4,483
Operating Expense Funded by Lotteries	40,000	-	40,000	-	40,000	40,000	-
Equipment/Inventory Purchases	1,547	-	1,547	215	1,762	2,451	(689)
	$ 133,703	**$ (232)**	**$ 133,471**	**$ 11,546**	**$ 145,017**	**$ 141,223**	**$ 3,794**
Statutory Expenses							
Valuation Adjustments	**$ 200**	**$ -**	**$ 200**	**$ -**	**$ 200**	**$ 305**	**$ (105)**

(a) Supplementary estimate of $11.546 million was approved on December 4, 2003.
(b) Includes achievement bonuses of $480,805.

Schedule 6

MINISTRY OF MUNICIPAL AFFAIRS
SCHEDULE OF SALARY AND BENEFITS
For the year ended March 31, 2004

	2004				2003
	Base Salary [1]	Other Cash Benefits [2]	Other Non-Cash Benefits [3]	Total	Total
Senior Official					
Deputy Minister [4]	152,808	29,836	37,268	219,912	182,129
Acting Deputy Minister	-	-	-	-	45,088
Executives					
Assistant Deputy Ministers:					
Local Government Services	127,936	17,388	29,824	175,148	87,560
Acting, Local Government Services	-	-	-	-	82,754
Public Safety	121,548	16,543	27,479	165,570	143,978
Acting, Public Safety	-	-	-	-	10,546
Executive Directors:					
Business Services	110,028	15,711	25,959	151,698	142,764
Financial Services and Information Technology	109,703	15,308	26,177	151,188	138,330
Director, Human Resources	87,996	11,971	18,320	118,287	111,684

[1] Base salary includes pensionable base pay.

[2] Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments.

[3] Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees (listing should be comprehensive).

[4] Automobile provided, no dollar amount included in other non-cash benefits figures.

Schedule 7

MINISTRY OF MUNICIPAL AFFAIRS
SCHEDULE OF RELATED PARTY TRANSACTIONS
For the year ended March 31, 2004
(thousands of dollars)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The Ministry receives services under contracts managed by the Ministry of Government Services (Alberta Corporate Services Centre). Any commitments under these contracts are reported by the Ministry of Government Services (Alberta Corporate Services Centre).

The Ministry had the following transactions with related parties recorded on the Statement of Operations at the amount of consideration agreed upon between the related parties:

	Other Government Entities	
	2004	2003
Revenues		
Transfer from the Lottery Fund	$ 40,000	$ 40,000
Expenses		
Supplies and Services	$ 3,044	$ 2,656

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in schedule 8.

	Other Government Entities	
	2004	2003
Expenses		
Accommodation	$ 4,987	$ 4,356
Legal	642	552
	$ 5,629	$ 4,908

The Ministry paid $27,140 (2003 - $26,657) of grants in place of taxes on behalf of other ministries.

Schedule 8

MINISTRY OF MUNICIPAL AFFAIRS
SCHEDULE OF ALLOCATED COSTS
For the year ended March 31, 2004
(thousands of dollars)

Program	2004						2003
		Expenses - Incurred by Others		Valuation Adjustments [4]			
	Expenses [1]	Accommodation Costs [2]	Legal Services [3]	Vacation Pay	Doubtful Accounts	Total	Total
Ministry Support Services	$ 10,786	$ 1,535	$ 46	$ 30	$ -	$ 12,397	$ 11,105
Local Government Services	104,415	1,486	276	162	1	106,340	104,842
Public Safety	21,029	1,565	142	91	4	22,831	46,548
Municipal Government Board	2,542	401	178	17		3,138	3,165
	$ 138,772	**$ 4,987**	**$ 642**	**$ 300**	**$ 5**	**$ 144,706**	**$ 165,660**

1) Expenses – directly incurred as per statement of operations, excluding valuation adjustments ($139,077 minus $305 = $138,772).
2) Costs shown for accommodation (includes grants in lieu of taxes) on schedule 7, allocated by square footage.
3) Costs shown for legal services on schedule 7, allocated by estimated costs incurred by each program.
4) Valuation Adjustments as per Statement of Operations. Employee benefits and doubtful accounts provision included in Valuation Adjustments were allocated as follows:
   - Vacation Pay – program allocation by employee.
   - Doubtful Accounts Provision – direct program allocation.

Other Information

Statement of Revenues and Expenditures of the Improvement Districts' Trust Account – UNAUDITED

Statement of Revenues and Expenditures – Summary 96

Statement of Revenues and Expenditures – Detail 97

Note to Reader:

The unaudited financial information being presented here was derived from the December 31, 2002 audited financial statements of each Improvement District.

Improvement Districts' Trust Account
Statement of Revenues and Expenditures
For the year ended December 31, 2003

(Summary)

	Improvement District						
	4	9	12	13	24	Kananaskis [a]	Total
Revenues	$ 29,680	$ 769,894	$ 38,277	$ 22,472	$ 17,171	$ 1,216,238	$ 2,093,732
Expenditures	18,065	490,366	87,855	6,360	12,046	1,286,859	1,901,551
Excess (deficiency) of revenues over expenditures	$ 11,615	$ 279,528	$ (49,578)	$ 16,112	$ 5,125	$ (70,621)	$ 192,181

Improvement District:

4	Waterton National Park
9	Banff National Park
12	Jasper National Park
13	Elk Island National Park
24	Wood Buffalo National Park

[a] Ministerial Order No. L:159/01 delegated, effective October 1, 2001, the administration of the Kananaskis Improvement District to the Minister of Community Development.

(Detail)

	Improvement District						
	4	9	12	13	24	Kananaskis	Total
REVENUES							
General Municipal:							
Taxation							
Real property	$ 256,908	$ 2,809,313	$ 77,303	$ 4,280	$ 4,539	$ 1,170,463	$ 4,322,806
Federal grants in lieu of taxes	64,882	532,885	34,463	29,343	16,691	11,866	690,130
Provincial grants in lieu of taxes	-	-	-	-	-	144,095	144,095
Power and pipeline	2,298	76,756	68,783	12,054	9,848	280,924	450,663
Oil well drilling taxes	-	-	-	-	-	3,426	3,426
Penalties and costs	3,731	13,151	669	-	187	3,332	21,070
Tax Recovery	-	-	-	-	-	6,412	6,412
	327,819	3,432,105	181,218	45,677	31,265	1,620,518	5,638,602
Less payment of requisitions to:							
Alberta School Foundation Fund	303,512	2,591,988	147,955	25,818	14,352	890,262	3,973,887
Seniors Foundation	-	172,780	1,896	-	-	12,533	187,209
	303,512	2,764,768	149,851	25,818	14,352	902,795	4,161,096
General municipal taxes	24,307	667,337	31,367	19,859	16,913	717,723	1,477,506
Government transfers	2,000	6,242	2,000	2,000	-	5,407	17,649
Interest	2,773	23,811	4,905	-	258	32,654	64,401
Other	600	72,504	5	613	-	460,454	534,176
	$ 29,680	$ 769,894	$ 38,277	$ 22,472	$ 17,171	$ 1,216,238	$ 2,093,732
EXPENDITURES							
General Municipal:							
Administrative services	$ 18,065	$ 108,156	$ 54,400	$ 6,360	$ 12,046	$ 204,199	$ 403,226
Transportation services	-	-	-	-	-	87,169	87,169
Protective services	-	332,180	33,455	-	-	640,803	1,006,438
Recreation and cultural services	-	37,820	-	-	-	-	37,820
Agriculture, planning and other community services	-	-	-	-	-	26,213	26,213
Other expenditures	-	12,210	-	-	-	328,475	340,685
	$ 18,065	$ 490,366	$ 87,855	$ 6,360	$ 12,046	$ 1,286,859	$ 1,901,551

Other Information

Financial Statements of the Special Areas Trust Account – AUDITED

Auditor's Report 100

Statement of Financial Position 101

Statement of Revenue, Expenditure and Accumulated Excess of Revenue over Expenditure 102

Statement of Reserves 104

Statement of Equity in Physical Assets 105

Statement of Cash Flows 106

Notes to the Financial Statements 107

Schedule of Investments 116

Schedule of Salaries and Benefits 117

AUDITOR GENERAL
Alberta

AUDITOR'S REPORT

To the Minister of Municipal Affairs

I have audited the statement of financial position of The Special Areas Trust Account as at December 31, 2003 and the statements of revenue, expenditure and accumulated excess of revenue over expenditure, reserves, equity in physical assets and cash flows for the year then ended. These financial statements are the responsibility of the Special Areas Trust Account's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of The Special Areas Trust Account as at December 31, 2003 and the results of its operations, movements on reserves, and on equity in physical assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for municipal governments.

Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
March 19, 2004

SPECIAL AREAS TRUST ACCOUNT
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2003

	2003	2002
ASSETS		
Financial Assets		
Current:		
Cash (Note 3)	$ 26,901,258	$ 28,458,675
Accounts receivable, net (Note 4)	1,949,537	1,628,728
Taxes receivable, net	604,904	311,449
Due from Province of Alberta, net (Note 5)	-	203,845
	29,455,699	30,602,697
Non-current:		
Deposit on capital asset purchase	-	55,000
Accounts receivable, net (Note 4)	2,552,970	2,256,461
Investments, Schedule 1	24,363,718	21,954,885
Total financial assets	56,372,387	54,869,043
Physical Assets (Note 6)		
Capital assets	17,267,953	16,650,298
Inventories	1,965,329	2,549,826
Total physical assets	19,233,282	19,200,124
	$ 75,605,669	$ 74,069,167
LIABILITIES AND TRUST EQUITY		
Current:		
Accounts payable and accruals	$ 1,703,166	$ 1,310,390
Due to Province of Alberta, net (Note 5)	240,466	-
Obligation under capital lease (Note 7)	43,900	-
Deferred lease revenue	310,154	250,476
Deferred provincial grant revenue	167,407	71,863
	2,465,093	1,632,729
Non-current:		
Obligation under capital lease (Note 7)	43,900	-
Provision for gravel pit reclamation (Note 8)	1,100,000	950,000
Total Liabilities	3,608,993	2,582,729
Equity:		
Accumulated excess of revenue over expenditure	2,658,708	4,303,075
Reserves	50,104,686	47,983,239
In physical assets	19,233,282	19,200,124
Total Equity	71,996,676	71,486,438
	$ 75,605,669	$ 74,069,167

The accompanying notes and schedules are part of these financial statements.

SPECIAL AREAS TRUST ACCOUNT
STATEMENT OF REVENUE, EXPENDITURE AND ACCUMULATED EXCESS OF REVENUE OVER EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2003

	2003		2002
	BUDGET	ACTUAL	ACTUAL
Revenue	(Note 18)		
General municipal:			
Taxation			
Power and pipeline	$ 19,750,000	$ 18,076,813	$ 19,206,050
Real property	5,370,000	5,294,104	5,219,103
Grazing and cultivation	944,000	896,592	912,785
Penalties and costs on taxes	125,000	80,948	219,406
	26,189,000	24,348,457	25,557,344
Less amounts expended by transfers:			
Alberta School Foundation Fund	15,200,000	13,318,053	14,358,711
Seniors Foundation requisitions	860,000	893,999	810,764
	16,060,000	14,212,052	15,169,475
Net taxes for municipal purposes	10,129,000	10,136,405	10,387,869
Provincial grants (Note 9)	2,492,852	2,153,903	2,323,772
Leases (Note 10)	5,133,500	5,794,892	5,164,208
Interest	1,850,000	2,008,130	2,080,663
Tax recovery land sales	2,760,000	1,973,833	743,410
Other (Note 11)	2,956,000	4,227,872	2,194,928
Total revenue, carried forward	$ **25,321,352**	$ **26,295,035**	$ **22,894,850**

SPECIAL AREAS TRUST ACCOUNT
STATEMENT OF REVENUE, EXPENDITURE AND ACCUMULATED EXCESS OF REVENUE OVER EXPENDITURE (cont'd)
FOR THE YEAR ENDED DECEMBER 31, 2003

	2003		2002
	BUDGET (Note 18)	ACTUAL	ACTUAL
Total revenue, brought forward	$ 25,321,352	$ 26,295,035	$ 22,894,850
Expenditure			
General municipal:			
Transportation services	16,159,810	16,951,831	14,336,162
Administrative services	3,449,276	3,308,594	2,693,021
Water and sanitation services	2,161,864	1,947,642	2,012,107
Agriculture and community pasture services	1,490,680	1,631,603	1,239,739
Recreational and cultural services	1,072,584	945,715	1,075,016
Protective services	935,294	922,140	717,582
Industrial tax transfers	110,000	110,430	105,840
Total expenditure (Note 12, 14 and 15)	25,379,508	25,817,955	22,179,467
Excess of revenue over expenditure	$ (58,156)	477,080	715,383
Accumulated excess of revenue over expenditure at beginning of year		4,303,075	4,537,970
		4,780,155	5,253,353
Less: transfers from (to) tax recovery land sales reserve (Note 16):			
Phase I	-	7,055	(5,060)
Phase II	(2,935,000)	(2,128,502)	(945,218)
	$ (2,935,000)	(2,121,447)	(950,278)
Accumulated excess of revenue over expenditure at end of year		$ 2,658,708	$ 4,303,075
Decrease in accumulated excess of revenue over expenditure during the year	$ (2,993,156)	$ (1,644,367)	$ (234,895)

SPECIAL AREAS TRUST ACCOUNT
STATEMENT OF RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2003

	2003	2002
Tax recovery land sales reserves :		
Phase I		
Balance at beginning of year	$ 39,304,742	$ 39,299,682
(Deduct) add transfers of accumulated excess of revenue over expenditure (Note 16)	(7,055)	5,060
Balance at end of year	39,297,687	39,304,742
Phase II		
Balance at beginning of year	8,677,178	7,731,960
Add transfer from accumulated excess of revenue over expenditure (Note 16)	2,128,502	945,218
Balance at end of year	10,805,680	8,677,178
Total balance at end of year	50,103,367	47,981,920
Public reserve:		
Balance at beginning and end of year	1,319	1,319
Total reserves	$ **50,104,686**	$ **47,983,239**

SPECIAL AREAS TRUST ACCOUNT
STATEMENT OF EQUITY IN PHYSICAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2003

	2003	2002
Equity in capital assets at beginning of year	$ 16,650,298	$ 14,539,631
Add purchase of capital assets:		
Transportation services	2,830,313	2,725,866
Administrative services	956,875	329,241
Water and sanitation services	344,608	319,635
Protective services	352,323	201,015
Agriculture and community pasture services	123,914	181,298
Recreation and cultural services	27,475	41,445
	4,635,508	3,798,500
Annual amortization of capital assets	(1,587,615)	(1,636,419)
Disposal of capital assets	(2,430,238)	(51,414)
Equity in capital assets at end of year	$ 17,267,953	$ 16,650,298
Equity in inventories at beginning of year	$ 2,549,826	$ 2,748,151
Add purchases and other inventory costs	1,217,291	1,150,194
Deduct requisitions	(1,801,788)	(1,348,519)
Equity in inventory at end of year	$ 1,965,329	$ 2,549,826
Equity in physical assets at end of year	**$ 19,233,282**	**$ 19,200,124**

SPECIAL AREAS TRUST ACCOUNT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2003

	2003	2002
Operating activities:		
Excess of revenue over expenditure	$ 477,080	$ 715,383
Amortization of investment premiums, less discounts	285,559	213,092
Gain on sale of investments	(87,426)	(194,104)
Increase (Decrease) in provision for gravel pit reclamation	150,000	(60,000)
Purchase of capital assets	4,635,508	3,798,500
Decrease in inventories	(584,497)	(198,325)
	4,876,224	4,274,546
Changes in non-cash working capital accounts:		
Accounts receivable	(320,809)	(231,952)
Taxes receivable, net	(293,455)	(33,191)
Due to Province of Alberta, net	444,311	2,407
Accounts payable and accruals	392,776	163,459
Capital lease	43,900	-
Deferred lease revenue	59,678	(47,017)
Deferred provincial grant revenue	95,544	71,863
Inventories	584,497	198,325
	1,006,442	123,894
Cash provided by operating activities	5,882,666	4,398,440
Investing activities:		
Deposit on capital asset purchase	55,000	(55,000)
Net change in non - current accounts receivable	(296,509)	142,369
Proceeds from redemption of investments	7,172,227	16,596,035
Purchase of investments	(9,779,193)	(18,021,643)
Purchase of capital assets	(4,635,508)	(3,798,500)
Cash applied to investing activities	(7,483,983)	(5,136,739)
Financing activities:		
Capital lease	43,900	-
	43,900	-
Decrease in cash	(1,557,417)	(738,299)
Cash at the beginning of year	28,458,675	29,196,974
Cash at end of year	**$ 26,901,258**	**$ 28,458,675**

SPECIAL AREAS TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2003

Note 1 Authority and Purpose

The Special Areas Trust Account operates under the authority of the Special Areas Act, Chapter S-16, Revised Statutes of Alberta 2000 as amended. The Special Areas Trust Account is held by the Special Areas Board, an agent of the Crown in right of Alberta, and as such, has a tax exempt status.

The Special Areas Board (the "Board") is appointed by the Lieutenant Governor in Council. The Board provides municipal services and long-term land resource management.

Note 2 Significant Accounting Policies

(a) General

These financial statements have been prepared in accordance with generally accepted accounting principles for municipal governments.

(b) Tax Recovery Land

Tax recovery land, including any mineral surface leases attached thereto, was acquired for insignificant amounts and is not recorded in the balance sheet. Approximately 1.101 million acres of tax recovery land remains unsold as at December 31, 2003 (2002 - 1.134 million acres).

Crown land transferred to the Province from the Government of Canada for no monetary consideration, located within the Special Areas and administered by the Special Areas Board, is not valued for financial statement purposes. This consists of approximately 1.569 million acres.

(c) Investments

Investments are valued at cost adjusted for the applicable amortization of discount or premium using the straight-line method over the period to maturity.

(d) Inventories

The cost of consumable supplies is included as expenditure when incurred. For information purposes, inventories of consumable supplies are shown on the balance sheet as physical assets at net book value with the offsetting credit to equity in physical assets.

Inventories are valued at the lower of cost or net replacement value. Cost for gravel and fuel is determined by using the first-in-first-out method. Cost for parts and other inventories is determined by using the average cost method.

SPECIAL AREAS TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2003

Note 2 (e) Capital Assets

(cont'd) Capital asset acquisitions are included as expenditures in the statement of revenue, expenditure and accumulated excess of revenue over expenditure. For information purposes, capital assets except the cost of construction of roads, bridges, and other infrastructure, having an original cost greater than $2,500 are shown on the statement of financial position as physical assets at net book value with the offsetting credit to equity in physical assets. All electronic data processing equipment is capitalized.

The cost of capital assets shown on the statement of financial position is amortized to estimated salvage value at the following rates (rates and values expressed as a percentage of original cost):

	Annual Amortization			Estimated Salvage Value
	Year 1	Year 2	Year 3 and Thereafter	
	%	%	%	%
Mobile equipment	5.00	5.00	5.00	5.00
Buildings	2.50	2.50	2.50	2.50
Automotive equipment	20.00	15.00	10.00	10.00
Machinery and equipment	6.67	6.67	6.67	6.67
Electronic data processing				
-Hardware	40.00	30.00	20.00/10.00	-
-Software	25.00	25.00	25.00	-

The portion of the cost of purchased land attributed to the value of gravel situated on the land, is amortized at the rate at which the gravel is excavated.

(f) Pensions

The Board participates in two multiemployer defined benefit pension plans, the Management Employee Pension Plan and the Public Service Pension Plan. The Board accounts for its participation in these plans on a defined contribution basis. Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

SPECIAL AREAS TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2003

Note 2 (g) Financial Instruments

(cont'd) The carrying value of cash, current accounts receivable, taxes receivable, amounts due from/to Province of Alberta, and accounts payable and accruals approximate fair value due to the short-term maturities of these items.

The carrying value of non-current accounts receivable approximate their fair value.

The fair value of investments is disclosed on Schedule 1.

Note 3 Cash

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (the "Fund") of the Province of Alberta. The Fund is a demand account managed by Alberta Revenue with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio is composed of high quality short-term and mid-term fixed income securities with a maximum term to maturity of five years.

Note 4 Accounts Receivable, Net

Accounts receivable, net of applicable allowances for doubtful accounts of $72,972 (2002-$108,936), are comprised of the following:

	2003	2002
Current:		
From sale of tax recovery land and related mineral surface leases	$ 484,538	$ 443,882
Accrued interest	97,368	77,151
	581,906	521,033
Federal government grants	415,232	333,435
Accrued interest on investments	282,920	250,615
Leases	147,990	114,484
Miscellaneous	521,489	409,161
	$ 1,949,537	$ 1,628,728
Non-current:		
From sale of tax recovery land and related mineral service leases	$ 2,158,995	$ 1,773,556
Other	393,975	482,905
	$ 2,552,970	$ 2,256,461

SPECIAL AREAS TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2003

Note 4 (cont'd) Payment for tax recovery land sold and for the sales of related mineral surface leases may be made in installments over a period not exceeding ten years. An interest rate of 8% per annum is applied to tax recovery land sales. Title to tax recovery land sold (and related leases sold) is transferred from the Minister of Municipal Affairs to the purchaser after all payments have been received. If a purchaser defaults in payment, the agreement(s) for sale may be declared null and void and all monies received may be retained in the Trust Account as liquidated damages.

Note 5 Due from (to) Province of Alberta, Net

The net amount due to/from the Province of Alberta is comprised of the following:

	2003	2002
Due from Province of Alberta:		
Alberta Transportation	$ 387,476	$ 312,982
Other	93,519	40,885
	480,995	353,867
Due to Province of Alberta:		
Alberta Learning	(453,956)	-
Alberta Environment	(191,112)	(150,022)
Other	(76,393)	-
	(721,461)	(150,022)
Due from (to) Province of Alberta, net	$ (240,466)	$ 203,845

Note 6 Physical Assets

	2003			2002
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Capital Assets:				
Mobile equipment	$ 13,802,167	$ 5,055,178	$ 8,746,989	$ 9,095,586
Buildings	6,774,568	2,721,092	4,053,476	3,355,085
Automotive equipment	6,025,458	3,996,799	2,028,659	1,781,276
Machinery and equipment	2,394,278	1,406,173	988,105	1,152,939
Land	1,082,679	80,063	1,002,616	784,871
Electronic data processing				
- hardware	390,250	340,765	49,485	60,209
- software	883,732	485,109	398,623	420,332
Capital assets, carried forward	$ 31,353,132	$ 14,085,179	$ 17,267,953	16,650,298

SPECIAL AREAS TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2003

Note 6 (cont'd)

	2003			2002
	Cost	Allowance for obsolescence	Net Book Value	Net Book Value
Inventory:				
Parts and other	$ 1,147,995	$ 11,480	1,136,515	1,408,394
Gravel	684,249	-	684,249	986,527
Culverts, Fencing & Seed	64,424	-	64,424	52,435
Chemicals	50,074	-	50,074	62,852
Fuel	30,067	-	30,067	39,618
	$ 1,976,809	$ 11,480	1,965,329	2,549,826
Capital assets, brought forward			17,267,953	16,650,298
Total physical assets			$ 19,233,282	$ 19,200,124

Note 7 Capital Lease

The following is a schedule of future minimum payments as of December 31, 2003 under capital leases:

2004	$ 43,900
2005	43,900
Total Minimum Lease Payments	$ 87,800
Balance comprised of:	
Current portion of long-term leases	$ 43,900
Long-term leases	43,900
	$ 87,800

Note 8 Provision for Gravel Pit Reclamation

The provision for gravel pit reclamation costs are estimates of future costs of restoring gravel pits to the standards required by the Environmental Protection and Enhancement Act.

There is uncertainty with respect to the measurement of the estimates. Measurement uncertainty exists when there is a significant variance between the amount recognized in the financial statements and another reasonably possible amount.

Restoration is ongoing and the uncertainty inherent in the provision will thus be partially resolved each year.

SPECIAL AREAS TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2003

Note 9 Provincial Grants

	2003	2002
Transportation	$ 1,628,472	$ 1,832,334
Agriculture, Food and Rural Development	166,609	151,004
Environment	124,636	116,243
Children's Services	122,171	114,502
Municipal Affairs	21,307	40,851
Infrastructure	71,539	29,294
Health & Wellness	-	21,000
Community Development	16,000	16,000
Human Resources and Employment	3,169	2,544
	$ 2,153,903	$ 2,323,772

Note 10 Lease Revenue

	2003	2002
Mineral surface leases	$ 3,061,473	$ 2,470,423
Grazing leases	1,302,379	1,208,838
Cultivation leases	398,477	436,022
Community pastures	325,270	290,064
Other	707,293	758,861
	$ 5,794,892	$ 5,164,208

Note 11 Other Revenue

	2003	2002
Municipal services cost recovery	$ 180,363	$ 637,175
License, permits, assignments and application fees	380,179	410,208
Federal government grants	243,836	337,887
Oil well drilling taxes	154,979	246,030
Sale of sand and gravel	92,166	186,155
Proceeds on sale of capital assets	2,583,254	19,900
Miscellaneous	593,095	357,573
	$ 4,227,872	$ 2,194,928

SPECIAL AREAS TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2003

Note 12 Total Expenditure

Total expenditure for the year is analyzed by object of expenditure as follows:

	2003	2002
Manpower, (Schedule 2)	$ 7,651,347	$ 7,324,171
Materials, goods, and utilities	5,306,539	4,842,558
Contract and general services	6,696,451	4,794,660
Physical assets acquired - capital assets purch.	4,635,508	3,798,500
Grants	1,156,244	961,232
Goods and services from Alberta Government departments		
Alberta Revenue		
Risk Management	150,726	170,748
Investment Fees	4,768	8,710
Alberta Municipal Affairs		
Linear Assessment	75,158	70,213
Alberta Registries	14,492	12,191
Other departments	507	2,002
Provision for doubtful accounts	15,785	88,642
Industrial tax transfers	110,430	105,840
	$ 25,817,955	$ 22,179,467

Note 13 Pension Plan

The Special Areas Board participates with other employers in the Public Service Pension Plan ("PSPP") and the Management Employees Pension Plan ("MEPP"). These plans provide pensions for the Board's employees based on years of service and earnings.

Total current contributions by the Board in 2003 to the PSPP were $181,802 (2002-$158,596) and to the MEPP were $78,175 (2002-$70,236).

SPECIAL AREAS TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2003

Note 14 Related Parties

Expenditures for goods and services provided by the Province and billed to the Trust Account are disclosed in Note 12.

Grants provided by the Province are disclosed in Note 9 and the amounts outstanding at the end of the year are disclosed in Note 5.

During 2003, the Trust Account received funds as agent for the Department of Environment amounting to $191,112, all of which is included as due to the Department at the end of the year.

In the year, the Special Areas Board also purchased a building and subsequent land from Alberta Infrastructure for $544,991 with the purpose of attracting business to the Special Areas.

Note 15 Administration Expenses

Accommodation costs for the offices at Hanna, amounting to approximately $70,000, have not been included in expenditure of the Trust Account. The building is owned and operated by Alberta Infrastructure and all costs are recorded as expenditure of that Ministry.

Note 16 Tax Recovery Land Sales Reserve

Transfers to (from) tax recovery land sale reserve have been determined as follows:

	Phase I	Phase II	Total
Land sales	$ (7,055)	$ 1,814,786	$ 1,807,731
Interest	-	313,716	313,716
	$ (7,055)	$ 2,128,502	$ 2,121,447

Phase I and II relate to proceeds from sales under the 1981 and 1988 tax recovery land sales policies respectively.

Phase I excludes interest revenue and has not been earmarked for specific expenditures.

Phase II includes interest earned under agreements for sale and investment interest earned on Phase II funds and is earmarked for future capital projects as authorized by the Minister of Municipal Affairs.

SPECIAL AREAS TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2003

Note 17 Commitments

The Special Areas Board has entered into eight long-term operating leases for equipment. The future lease payments are as follows:

2004	$ 724,769
2005	724,769
2006	508,009
2007	365,953
2008	-
	$ 2,323,500

Note 18 Budget

The 2003 municipal budget was adopted by the Special Areas Board and approved by the Minister of Municipal Affairs in January 2003.

Note 19 Comparative Figures

Certain 2002 figures have been reclassified to conform to 2003 presentation.

Note 20 Approval of Financial Statements

These financial statements have been approved by the Special Areas Board.

Schedule 1

SPECIAL AREAS TRUST ACCOUNT
SCHEDULE OF INVESTMENTS
AS AT DECEMBER 31, 2003

	2003						2002
	Stated Interest Rate	Effective Interest Rate	Maturity Date	Par Value	Fair Value	Book Value	Book Value
Bonds:							
Bank of Montreal	8.15%	5.45%	May 9, 2011	$ 440,000	$ 487,023	$ 475,023	$ 479,782
Bank of Nova Scotia	4.52%	4.51%	November 19, 2008	700,000	708,890	700,000	-
BC Muni Finance	7.75%	3.92%	December 1, 2005	730,000	792,276	779,968	805,985
Canada Housing Trust	4.75%	4.47%	March 15, 2007	600,000	621,678	604,882	606,406
Canada Housing Trust	3.70%	4.32%	September 15, 2008	1,600,000	1,576,880	1,558,099	-
Canada Housing Trust	4.10%	4.13%	December 15, 2008	300,000	299,853	299,563	-
Canadian Imperial Bank Comm	6.50%	4.06%	October 21, 2009	-	-	-	316,702
Equitable Trust - mortgage-backed security	5.00%	5.69%	November 1, 2004	1,657,776	1,684,682	1,649,733	1,704,450
Government of Canada	6.50%	4.48%	June 1, 2004	-	-	-	511,543
Government of Canada	5.00%	4.49%	September 1, 2004	-	-	-	3,502,786
Government of Canada	6.00%	4.04%	September 1, 2005	1,190,000	1,250,012	1,226,493	1,667,935
Government of Canada	8.75%	5.22%	December 1, 2005	1,555,000	1,720,405	1,647,231	1,695,254
Government of Canada	5.75%	4.00%	September 1, 2006	4,375,000	4,649,400	4,579,164	1,126,353
Government of Canada	7.25%	4.97%	June 1, 2007	1,191,000	1,330,204	1,272,004	1,295,695
Government of Canada	4.50%	3.93%	September 1, 2007	1,210,000	1,245,041	1,233,833	555,487
Government of Canada	6.00%	4.58%	June 1, 2008	1,910,000	2,073,630	2,018,149	1,429,895
Government of Canada	5.50%	5.53%	June 1, 2009	475,000	507,001	474,387	753,846
Government of Canada	6.00%	5.92%	June 1, 2011	275,000	301,375	276,196	276,357
Province of British Columbia	8.00%	4.60%	August 23, 2005	300,000	324,063	315,311	324,610
Province of Manitoba	6.25%	3.95%	June 22, 2005	1,000,000	1,048,870	1,031,325	1,052,538
Province of Manitoba	6.25%	5.93%	September 1, 2009	400,000	438,120	405,854	406,886
Province of Newfoundland	9.55%	4.10%	August 5, 2004	320,000	332,586	329,808	346,230
Province of Ontario	4.88%	4.10%	June 2, 2004	-	-	-	525,470
Province of Ontario	6.25%	4.85%	March 8, 2005	1,000,000	1,040,330	1,015,389	1,028,189
Province of Ontario	5.90%	3.49%	March 8, 2006	490,000	517,866	514,473	-
Province of Quebec	5.50%	5.08%	June 1, 2009	-	-	-	777,266
Province of Quebec	6.25%	4.79%	December 1, 2010	100,000	1,205,479	1,193,861	-
Royal Bank of Canada	6.05%	4.18%	July 7, 2009	-	-	-	519,446
Royal Bank of Canada	5.50%	4.36%	February 13, 2011	700,000	731,178	719,272	-
TD Bank	5.50%	3.19%	June 17, 2003	-	-	-	202,074
				23,518,776	24,886,842	24,320,018	21,911,185
Alberta Municipal Financing Corporation shares				-	150	150	150
Agricore United common shares				-	43,550	43,550	43,550
				$ 23,518,776	$ 24,930,542	$ 24,363,718	$ 21,954,885

SPECIAL AREAS TRUST ACCOUNT
SCHEDULE OF SALARIES AND BENEFITS
FOR THE YEAR ENDED DECEMBER 31,2003

	2003				2002	
	Number of Individuals(a)	Salary (b)	Benefits & Allowances (c)	Total	Number of Individuals	Total
Chairman of the Special Areas Board	1	$ 102,153	$ 19,720	$ 121,873	1	$ 113,247
Special Areas Board members	2	9,775	171	9,946	2	6,583
Director of Finance and Administration	1.1	78,835	13,466	92,301	1	91,628
Director of Municipal Services	1	80,373	15,682	96,056	1	90,520
Director of Properties Administration	1	77,795	15,570	93,365	1	87,684
Roads & Equipment Superintendent	1	72,131	14,165	86,296	1	80,763
Managers (d)	3.2	193,271	41,299	234,569	3.0	209,176
Other full time staff (e)	76.5	3,677,961	632,343	4,310,304	76.5	4,027,352
Part time and casual wage staff		2,289,591	298,917	2,588,508		2,537,624
Other Boards and committees		24,500	536	25,036		27,430
Advisory Councillors	13	15,000	300	15,300	13	21,643
Increase (decrease) in vacation accrual		(22,207)	-	(22,207)		30,521
		$ 6,599,178	$ 1,052,169	$ 7,651,347		$ 7,324,171

(a) Number of individuals consists of full time equivalents, except for Special Areas Board members and Advisory Councillors.

(b) Salary includes regular base pay, overtime, vacation payouts, honoraria and any other direct cash remuneration.

(c) Employer's share of all employee benefits and contributions or payments made on behalf of employees,managers and board members including Workers Compensation Board, Canada Pension Plan, employment insurance, camp allowances, pension, health care, dental coverage, out of country medical benefits, membership fees, group life insurance, accidental death and dismemberment insurance and long-term disability plan.

(d) Average salary is $60,397 and average benefits are $12,918 totaling $73,315. (2002 $69,725).

(e) Average salary is $48,078 and average benefits are $8,266, totaling $56,344. (2002 $52,645).

Alphabetical List Of Entities' Financial Statements In Ministry 2003-04 Annual Reports

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Agriculture Financial Services Corporation[1]	Agriculture, Food and Rural Development
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Capital Finance Authority	Finance
Alberta Dairy Control Board[2]	Agriculture, Food and Rural Development
Alberta Energy and Utilities Board	Energy
Alberta Foundation for the Arts	Community Development
Alberta Gaming and Liquor Commission	Gaming
Alberta Government Telephones Commission	Finance
Alberta Heritage Foundation for Medical Research Endowment Fund	Revenue
Alberta Heritage Savings Trust Fund	Revenue
Alberta Heritage Scholarship Fund	Revenue
Alberta Heritage Science and Engineering Research Endowment Fund	Revenue
Alberta Historical Resources Foundation	Community Development
Alberta Insurance Council	Finance
Alberta Pensions Administration Corporation	Finance
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Innovation and Science
Alberta Risk Management Fund	Revenue
Alberta School Foundation Fund	Learning
Alberta Science and Research Authority	Innovation and Science
Alberta Securities Commission	Revenue
Alberta Social Housing Corporation	Seniors
Alberta Sport, Recreation, Parks and Wildlife Foundation	Community Development
Alberta Treasury Branches	Finance
ATB Investment Services Inc.	Finance
Child and Family Services Authorities:	Children's Services
Calgary and Area Child and Family Services Authority	
Central Alberta Child and Family Services Authority	
East Central Alberta Child and Family Services Authority	
Edmonton and Area Child and Family Services Authority	
North Central Alberta Child and Family Services Authority	
Northeast Alberta Child and Family Services Authority	
Northwest Alberta Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Southwest Alberta Child and Family Services Authority	
Metis Settlements Child and Family Services Authority	
Credit Union Deposit Guarantee Corporation	Finance
Crop Reinsurance Fund of Alberta[1]	Agriculture, Food and Rural Development
Department of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Department of Children's Services	Children's Services
Department of Community Development	Community Development
Department of Energy	Energy
Department of Finance	Finance
Department of Gaming	Gaming

[1] The Crop Reinsurance Fund of Alberta was merged into the Agriculture Financial Services Corporation, effective April 1, 2003.
[2] Dissolved August 1, 2003

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Department of Health and Wellness	Health and Wellness
Department of Innovation and Science	Innovation and Science
Department of Learning	Learning
Department of Revenue	Revenue
Department of Seniors	Seniors
Department of Solicitor General	Solicitor General
Department of Sustainable Resource Development	Sustainable Resource Development
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance
Government House Foundation	Community Development
Historic Resources Fund	Community Development
Human Rights, Citizenship and Multiculturalism Education Fund	Community Development
iCORE Inc.	Innovation and Science
Lottery Fund	Gaming
Ministry of Aboriginal Affairs and Northern Development[3]	Aboriginal Affairs and Northern Development
Ministry of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Ministry of Children's Services	Children's Services
Ministry of Community Development	Community Development
Ministry of Economic Development[3]	Economic Development
Ministry of Energy	Energy
Ministry of Environment[3]	Environment
Ministry of Finance	Finance
Ministry of Executive Council[3]	Executive Council
Ministry of Gaming	Gaming
Ministry of Government Services[3]	Government Services
Ministry of Health and Wellness	Health and Wellness
Ministry of Human Resources and Employment[3]	Human Resources and Employment
Ministry of Infrastructure[3]	Infrastructure
Ministry of Innovation and Science	Innovation and Science
Ministry of International and Intergovernmental Relations[3]	International and Intergovernmental Relations
Ministry of Justice[3]	Justice
Ministry of Learning	Learning
Ministry of Municipal Affairs[3]	Municipal Affairs
Ministry of Revenue	Revenue
Ministry of Seniors	Seniors
Ministry of Solicitor General	Solicitor General
Ministry of Sustainable Resource Development	Sustainable Resource Development
Ministry of Transportation[3]	Transportation
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Boards:	Community Development
Calgary Region Community Board	
Central Region Community Board	
Edmonton Region Community Board	
Northeast Region Community Board	
Northwest Region Community Board	
Provincial Board	
South Region Community Board	

[3] Ministry includes only the departments so separate department financial statements are not necessary.

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Provincial Judges and Masters in Chambers Reserve Fund	Finance
Supplementary Retirement Plan Reserve Fund	Finance
Victims of Crime Fund	Solicitor General
Wild Rose Foundation	Community Development

ENTITIES NOT INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Alberta Cancer Board	Health and Wellness
Alberta Foundation for Health Research	Innovation and Science
Alberta Heritage Foundation for Medical Research	Innovation and Science
Alberta Heritage Foundation for Science and Engineering Research	Innovation and Science
Alberta Mental Health Board	Health and Wellness
Alberta Teachers' Retirement Fund Board	Learning
Improvement Districts' Trust Account	Municipal Affairs
Local Authorities Pension Plan	Finance
Long-Term Disability Income Continuance Plan - Bargaining Unit	Human Resources and Employment
Long-Term Disability Income Continuance Plan - Management, Opted Out and Excluded	Human Resources and Employment
Management Employees Pension Plan	Finance
Provincial Judges and Masters in Chambers Pension Plan	Finance
Public Post Secondary Institutions	Learning
Public Service Management (Closed Membership) Pension Plan	Finance
Public Service Pension Plan	Finance
Regional Health Authorities	Health and Wellness
School Boards	Learning
Special Areas Trust Account	Municipal Affairs
Special Forces Pension Plan	Finance
Supplementary Retirement Plan for Provincial Judges and Masters in Chambers	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Workers' Compensation Board	Human Resources and Employment

Note to Readers:

Copies of the annual report are available on the Alberta Municipal Affairs Web site or by contacting:

Alberta Municipal Affairs
Communications
18th Floor, Commerce Place
10155 - 102 Street
Edmonton, AB T5J 4L4

Phone: (780) 427-8862
Fax: (780) 422-1419
E-mail: comments@ma.gov.ab.ca
Web site: www.municipalaffairs.gov.ab.ca

ISSN: 0701-6522

ISSN 0701-6522 September 2004

Alberta
MUNICIPAL AFFAIRS

Printed in Canada
Printed on Recycled Paper